Austria ... Sch. 18	Indonesia .. Rp 2500	Portugal ... Esc 80
Bahrain .. Din.0.850	Italy ...... L 1300	S. Arabia .. Rls 6.00
Belgium ... BFr.38	Japan Y550	Singapore . S$ 4.10
Canada ... C$2.00	Jordan ... Fils.500	Spain ..... Pta 110
Cyprus ... C£0.60	Kuwait ... Fils.500	Sri Lanka ... Rup 30
Denmark .. Dkr.7.25	Lebanon .. £L 6.00	Sweden .. Skr 6.50
Egypt .... E£1.00	Luxembourg . LFr.38	Switzerland SFr2.20
Finland .. Fmk 6.00	Malaysia .. Rin 4.25	Taiwan ... NT $85
France .. FFr. 6.00	Mexico .. Pes. 300	Tunisia .. Din 0.800
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey .... L 218
Greece ..... Dr 70	Netherlands . Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong HK$ 12	Norway... Nkr. 8.00	U.S.A. $1.50
India ..... Rup. 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,526 Thursday January 17 1985 D 8523 B

Sandinistas try to conclude coastwar, Page 4

World news | Business summary

Mitterrand will fly to New Caledonia

President Mitterrand announced that he was flying today to France's troubled Pacific territory of New Caledonia.

The surprise announcement was made during a television broadcast in which he also did not rule out the possibility of holding a referendum in France on the New Caledonia issue.

The violent events in the French territory have been casting an increasingly heavy shadow on French domestic politics, with the right-wing opposition parties criticising the Socialist handling of the situation.

Sprinkel 'favourite'

Mr Beryl Sprinkel, the monetarist U.S. Treasury undersecretary for international monetary affairs, is emerging as the front runner to take over as chairman of President Reagan's council of economic advisers, the post formerly held by Dr Martin Feldstein. **Page 24**

UN troop limit

UN peacekeeping forces would not be allowed north of the Litani river, the area that Israeli forces are soon to leave, Lebanese Premier Rashid Karame said. **Page 4**

Union Carbide 'ban'

Union Carbide will oever be allowed to reopen its plant in the central Indian city of Bhopal, where a gas leak killed 2,500 people, Arjun Singh, the state's Chief Minister, said. A suit seeking $50bn in damages was filed in the Los Angeles superior court on behalf of victims. **Health fears, page 4**

Sharon victory

A New York jury took the first of three steps necessary to give former Israeli defence minister Ariel Sharon victory in his libel suit against Time magazine. The jury found that Time's report of a massacre at two Palestinian refugee camps defamed Sharon, who has sued the magazine for $50m. **Page 4.**

Brussels blast

At least one person was killed and eight were believed missing when a gas explosion destroyed a row of houses in Brussels.

Ethiopia protest

Australia protested to Ethiopia over the seizure of wheat and other goods intended for famine victims in guerrilla-held Eritrea and Tigre provinces.

Anti-Mafia move

The European Parliament started to draw op its battle lines for another assault on the Mafia. **Page 2**

Sardinia trial

Twenty-seven people, including an alleged Libyan secret agent who has escaped arrest, went on trial in Cagliari, Sardinia, charged with bombings and with plotting to separate the Mediterranean island from Italy.

Taiwan arrests

Three senior Taiwanese intelligence officials were arrested in Taipei in connectioo with the murder of a prominent Chinese writer in California.

Equal rights poll

Switzerland will hold a referendum this year on whether to repeal a law, passed last September, granting wives equal rights with husbands.

Threat to toad

The rare natterjack toad, which is threatened with extinction in Britain, faces a new danger – from acid rain, said a British MP.

INI offers control of Enasa to GM

INI, Spain's state holding company, is seeking to sell a majority holding in its truck company, Enasa, to General Motors. **Page 25**

DOLLAR was mostly firmer in London, rising to DM 3.189 (DM 3.185), FFr 9.7825 (FFr 9.7475) and Y254.9 (Y254.7) but easing to SwFr 2.675 (SwFr 2.68). On Bank of England figures the dollar's exchange index fell to 148.5 from 148.7. In New York it closed at DM 3.178, FFr 9.7412, SwFr 2.6755 and Y254.75. **Page 45**

STERLING finished weaker in London, losing 15 points against the dollar to $1.1185. It was unchanged at DM 3.5675 but fell to FFr 10.92 (FFr 10.93), SwFr 2.995 (SwFr 3.0025) and Y285.0 (Y285.25). The pound's exchange index was unchanged at 71.3. In New York it closed at $1.1212. **Page 45**

WALL STREET: The Dow Jones industrial average closed 0.11 down at 1,230.68. **Section III**

LONDON equities continued to recover. The FT Ordinary share index closed 19.5 higher at 981.3. Gilts were firmer. **Section III**

FRANKFURT shares were back at record levels and the Commerzbank index added 11.8 to 1149.5. **Amsterdam, Milan and Madrid** were also at peaks. **Section III.**

TOKYO saw further strong trading. The Nikkei-Dow Jones market average reached a record with a 109.11 advance to 11,933.02. **Section III.**

GOLD was unchanged on the London bullion market at $302.75. It was slightly down in Zurich at $303.00. In New York the Comex February settlement was $304.50. **Page 44**

NIGERIA: ITT has agreed to extend favourable terms to the country on refinancing $965m overdue trade debts, rather than await the outcome of international rescheduling talks.

YUGOSLAVIA announced a hard-currency account surplus of $769m at the end of 1984, $231.5m higher than a year before, and $269m above the IMF target.

WORLD BANK will fall $2bn short of its lending targets for the current financial year and is planning to postpooe for six months steps to seek an increase in its capital resources from nations that are its shareholders. **Page 4**

HONG KONG Securities Commission is inquiring into share dealings in Lambda Technology. **Page 29**

CITICORP is to take a majority stake in the Belgian savings bank Banque Sud Belge. Customer deposits at BSB stood at BFr 17bn ($266m) at end 1983.

MARINE MIDLAND increased final-quarter earnings to $29.7m from $27.2m and 12-month profits to $106.5m against $101.1m.

REYNOLDS METALS surged ahead in the last quarter with a $38.4m profit against $12.3m and made $137.3m for the year against a loss of $99.1m in 1983.

SANDOZ, the Swiss chemical group, reported a 14 per cent rise in group turnover last year to a record SwFr 7.43bn ($2.77bn). **Page 27**

GENERAL ELECTRIC, the U.S. manufacturing group, boosted fourth-quarter profits by 12.6 per cent from $579m to $652m, taking 1984 earnings to a record $2.28bn or $5.03 a share.

SULTAN of Brunei, believed to be the world's richest man, has bought one of Britain's most luxurious hotels, the Dorchester, for more than £40m ($44.8m). **Page 6**

We apologise for any typographical errors in today's edition arising from industrial action by members of the National Graphical Association in the proofreading room in London.

ITT plans to sell $1.7bn of assets to reduce its debt

BY PAUL TAYLOR IN NEW YORK

ITT, the U.S.-based multinational conglomerate, plans a big restructuring programme involving the sale of $1.7bn in assets this year.

The planned auction of assets, with other recent divestitures, including the sale of ITT's Continental Baking group and part of its Eason oil company for about $535m, is aimed at reducing debt and concentrating resources on high-growth businesses including telecommunications, financial services and automotive products.

ITT's share price plunged last year after its Hartford insurance unit ran into trouble and its quarterly dividend was slashed from 67 cents to 25 cents. The group said the planned sell-off represented "an acceleration" of its asset redeployment programme "intended to provide the strongest growth orientation, in sales and profits, for the company's future."

Specific moves planned by the New York-based conglomerate include:

- The commissioning of S. G. Warburg, the UK merchant bank, to study the possibility of selling off a minority stake in Abbey Life, ITT's wholly owned UK insurance group, through a public offering;
- A search for "substantial co-investors" in Sheraton, ITT's hotel group, which has 130,000 rooms worldwide, with ITT retaining management control. Sheraton currently has significant joint-venture relationships with leading U.S. life insurance companies and Amar, a group of Middle East investors, among others.
- The sale of minority interests in "certain" wholly owned telecommunications companies "subject to market conditions and local considerations." The bulk of ITT's 36 overseas telecommunications companies are currently wholly owned. They include operations in Belgium, Italy, Austria, the Netherlands, Canada, Denmark, Switzerland and Australia. The group last year reduced its holding in Standard Telephone and Cable (STC), the UK telecommunications group, to 24 per cent and sold 20 per cent of its Norwegian subsidiary, STK.
- The disposal of about 12 companies in its industrial technology group. No details were provided but ITT's Grinnell pipe, valve and fittings unit could be among those sold.

The bulk of the remainder of ITT's natural resources divisioo will be sold including the rest of Easoo Oil. Because of depressed market conditions for wood and pulp products, ITT Rayonier is not included in the units for sale at present.

Mr Rand Araskog, ITT's chairman, who announced the large-scale restructuring, said: "These steps, to be accomplished as quickly as practicable, will allow a further reduction in debt."

He said the divestiture programme, the latest phase of which began last year, would continue to give priority to the realisation of the value of assets to be sold. ITT has retained the services of Lazard Freres and Goldman, Sachs to assist in the programme.

The ITT chairman said that "no large acquisition is curreotly planned" but added: "If a major opportunity is identified which would further improve ITT's financial structure while contributing to one of its key business areas, the board would certainly consider it."

Wall Street, which has eagerly awaited a further slimming down of ITT, reacted favourably to the latest announcement, although some analysts had been hoping that the forest products business would be among the units for immediate sale.

Continued on Page 24

Lex, Page 24; trying to unravel a corporate tangle, Page 25

Official creditors agree to delay Polish repayments

BY DAVID BUCHAN IN LONDON AND DAVID MARSH IN PARIS

POLAND AND its 17 main Western government creditors have finally reached an agreement in principle on rescheduling Poland's 1982-84 official debt arrears, which in turn paves the way for Poland to enter the International Monetary Fund (IMF) this year.

Two days of negotiations in Paris this week overcame the stumbling block delaying progress for the past two months: Poland's insistence that it could and would not start paying Western governments what it has owed them since martial law in December 1981 without a commitment of new Western credit.

That was apparently resolved by Mr Zbigniew Karcz, the senior Warsaw Finance Ministry official leading Poland's negotiations, writing to the French chairman of the Paris creditors' club. That letter, formally separate from yesterday's rescheduling accord, is believed to set out Poland's expectations of fresh credit, although the Paris Club continues to insist that it is not the forum for agreeing new credit.

Argentina last night signed a debt-rescheduling accord spreading out into the 1990s $2.1bn of payments owed to Western governments over the period 1982-85. Page 4

However, a Paris Club communique said the rescheduling agreement had simply been "initialled" and that formal signature would only come later. Meanwhile, the Poles can be expected to lobby individual governments for new credit. The two-stage signing is unusual in Paris Club procedure. Given the fraught relations since the West imposed sanctions on Poland after martial law was imposed there, it must carry some risk that it will not be consummated.

Because of the political sensitivity of these still incomplete negotiations, officials would not disclose yesterday details of how much of Poland's 1982-84 official debt arrears is to be rescheduled and over what period. By some estimates, total principal and interest due to Western governments in the past three years was as high as $10bn.

Yugoslav rescheduling, Page 2; Brazil debt talks, Page 4; World Bank loans, Page 4

French smuggle savings back from secret Swiss accounts

BY DAVID MARSH IN PARIS

FRENCH SAVINGS accumulated in discreet Swiss bank accounts are starting to re-enter France in an extradordinary reversal of the illegal capital flows that have frequently marred relations between the two countries in recent years.

Paris foreign-exchange dealers say that wealthy French families who smuggled cash abroad after the Socialist government came to power in 1981 are now bringing the money back in again, partly to help pay increased taxes levied oo the better-off.

The turnround in the flows, confirmed by French monetary officials, coincides with a period of stability of the franc against other European currencies and high yields on French deposits and securities.

Capital flight from France has been a regular *bète noire* for the Socialist Government, which brought in tight foreign-exchange cootrols and toughened surveillance at the Swiss border to counter an upsurge of smuggling just after it took office.

The finance commission of the National Assembly in 1982 put the number of active Swiss accounts held by French residents at about 50,000, each containing an average of about FFr 800,000 (about $81,600 at current rates).

Now, as a sign of the reversal, foreign exchange dealers report that wealthy residents are having to pay large commissions to illegally operating professional agents to repatriate funds from Zurich and Geneva.

In previous years, those commissons were paid to arrange movements of cash in the other direction. Some of the agents used in the transactions are couriers physically smuggling gold and banknotes across the border. But to combat border controls, crooked accountants and other financial middlemen skilled in falsifying documents are also said to command large fees to arrange under and over-invoicing of commercial deals to manipulate funds between bank balances in different countries.

Improved financial confidence in France, where the bourse has riseo by 65 per ceot over the last two years, as well as a series of well publicised crackdowns on capital flight by the French customs, have cootributed significantly to the turnround, according to currency experts.

The Government orchestrated a trial last winter of individuals charged with currency offences carried out through the Paribas investment bank, partly in a deliberate attempt to deter further efforts at fraud.

Additionally, large-scale publicity given in 1983 to the seizure by French customs of a coded list of illegal French account holders at the Unioo Bank of Switzerland has encouraged some individuals to try to repatriate their funds.

Latest figures from the customs department, showing a drop by half in border seizures to FFr 47m in cash and gold last year, illustrate the slowdown in physical smuggling efforts.

French exchange controls, although relaxed slightly recently, set rigorous limits on exports of funds.

THATCHER SAYS POUND IS TOO LOW

UK borrowing goes further over target

BY MAX WILKINSON, PHILIP STEPHENS AND PETER RIDDELL IN LONDON

Mr Nigel Lawson

BRITAIN'S public borrowing is likely to overshoot its target by substantially more than Mr Nigel Lawson, Chancellor of the Exchequer, suggested in November, according to the Treasury's latest estimates.

The public-sector borrowing requirement (PSBR) for 1984-85 is now likely to exceed the £7¼bn planned in the last budget by at least £2bn for a total of more than £9bn, according to Treasury officials. In his autumn economic statement, Mr Lawson gave an £8½bn estimate for PSBR.

Anxiety about public spending and the underlying trend of borrowing was a powerful reason for the 1½-point rise in interest rates that Mr Lawsoo ordered oo Monday, pushing British banks' base lending rates to last year's peak level of 12 per cent.

The Treasury wass anxious to launch a new drive to sell government securities to mop up the excess money released into the UK economy by the overrun of public spending. That may have been almost as important as the aim of stopping the speculatioo against sterling.

Meanwhile yesterday:

- The pound steady against other leading currencies, closing in London virtually unchanged at $1.1185 and with the sterling index stable at 71.3. Foreign exchange dealers remained cautious, however, over whether Monday's rise in interest rates assured a sustained recovery for sterling.
- Mrs Margaret Thatcher, the Prime Minister, said that sterlin had fallen too far. "I do not like it at this rate," she told a radio interviewer. She said that Monday's move to raise interest rates was necessary because "one has to have regard for the exchange rate." The actions showed that "the interest-rate weapon has to be used now and then if your are interested in keeping inflation down."
- Mr Lawsoo said that sterling's recent slide would be discussed at the two-day meeting of finance ministers of the Group of Five industrial countries, which began in Washington yesterday. However, the main focus of the talks between the U.S., Japan, West Germany, France and Britain would be the U.S. budget deficit, he said. The European nations and Japan are keen to voice their concern ovr the deficit's effect oo interest rates and the dollar before the U.S. Administration presents its budgets plans to Congress.
- Shares recovered strongly in Loodon with the FT Ordinary index advancing 19.5 to 981.3. Smaller gains for gilt-edged stock allowed the Treasury to resume its debt funding operatioos with estimated slaes of betweeo £300m and £400m of the Exchequer 10½ per ceot 2005 tap stock announced on Monday.

A detailed estimate of the public spending overshoot will oot be available for Mr Lawson until the end of this month when the Treasury's latest forecast is complete. However, the continuing effects of the coal strike, with the increased pay bill for miners returning to work, has been added to a disturbing trend of spending overruns by government departmeots.

The Treasury is preparing for a renewed battle with spending departments, which it believes will put in bids for extra cash to cover higher interest paymeots or the effects of sterling's recent depreciation. However, it does not appear that any spending cuts are being planned at preseot.

The Treasury's continuing battle to hold the line oo public spending emphasise the difficulties it is likely face in its medium-term plan to keep public spending constant to make room for tax cuts.

In an unpublished study, the National Institute of Economic and Social Research shows that that policy would put very large strains on the services provided by the public sector, including health, defence and education.

Mr Andrew Britton, the institute's director, said the study showed that savings needed to realise this policy would go "well beyond" what the Government had achieved so far, with consequences that the public had not yet understood.

Continued on Page 24

Beretta wins U.S. duel to replace Colt .45

By James Buxton and David Lane in Rome

"REPLACE the venerable Colt, you say? Is nothing sacred any more? Dumping the slabsided old warhorse is like replacing apple pie with apple strudel."

That is how – with its tongue slightly in its cheek – the U.S. magazine Guns & Ammo greeted the news that the U.S. armed forces were looking for a successor to the Colt .45 handgun, which has been standard issue to the U.S. forces since 1911.

Yet on Tuesday Mr Caspar Weinberger, the U.S. Defence Secretary, telephoned his Italian counterpart Sig Giovanni Spadolini, to tell him that not only is apple pie being replaced with apple strudel but that the apple strudel will be Italian – the Beretta 92.

The Peotagon has therefore joined Mike Hammer and James Bond in choosing Beretta.

The award of the $75m contract – covering 315,000 pistols, plus spares and accessories – to Beretta is a remarkable achievemeot for the family-controlled business. For it is difficult to imagine a field in which American feelings of nationalism and historical pride are stronger than that of equipping the country's army officers and tank crews with their last line of defence – their pistol.

Beretta won the contract thanks to a combination of the quality of its product, the success of its lobbyists in defeating a highly determined opposition, and very competitive pricing. The company, which is based at Gardone Valtrompia in the heart of Italy's firearms-producing area of Lombardy, now stands to reap in other markets the reward of the prestige gained with this contract.

The U.S. armed forces decided in 1979 to replace the Colt .45. The weapon was by theo far slower to use than its modern rivals, having a magazine containing only six bullets which theo had to be refilled ooe by one. Modern 9-millimetre pistols, such as the Beretta, cootain 15 bullets and can be reloaded far more rapidly.

To choose a oew pistol, the U.S. Air Force in 1979 staged intensive tests of the rival weapons, which included competitors from Colt itself, Smith and Wesson, FN of Belgium, Heckler and Koch of West Germany, Star of Spain and Sig of Switzerland. The tests included oot just the guns' firing performance but also their durability, capacity to resist sand and mud, and reliability.

The Beretta 92 won. But the disappointed U.S. weapons manufac-

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CONTENTS

New York summit offers best hope for a Cyprus settlement

BY ANDRIANA IERODIACONOU IN NEW YORK

OLD HANDS of the Cyprus problem invariably recall its progress through London, Zurich and Geneva, the cities which at one time or another have been the scene of critical negotiations on the island's future.

Now, New York is about to enter the political folk memory, as President Spyros Kyprianou of Cyprus and Turkish Cypriot leader Rauf Denktash go to a long-awaited summit meeting at the United Nations today. The summit is expected to be decisive in the pursuit of a lasting peace for the island.

If it succeeds, it will produce an agreement ending the 10-year Turkish military occupation of northern Cyprus and bringing about the reunification of the island. The agreement would provide a comprehensive framework for the sharing of territory and constitutional power by the approximately 80 per cent Greek Cypriot majority and the Turkish Cypriot minority in a two-zone federal republic.

They are understood to have agreed that the basis of a settlement should be a bi-zonal, federal, independent republic, with a single currency and citizenship, and a Greek Cypriot President and Turkish Cypriot Vice-President, as well as some powers of veto for the minority in the Government. The Turkish Cypriots will retain less than 30 per cent of the territory (against 37 per cent held since the invasion) and there will be a seven-to-three balance in the cabinet.

But important gaps remain to be filled and the summit, which is expected to lead to detailed negotiations in working groups on specific issues, could still break down over these unresolved problems.

The most important of these are the nature of the guarantees for a future federal state; the timetable for a withdrawal of Turkish troops from the island; and the Greek Cypriot demand that the three basic freedoms – freedom of movement, settlement and right to property ownership – should be clearly spelled out.

The Greek Cypriots, disillusioned with the Zurich and London independence agreements under which Greece, Turkey and Britain were the joint guarantor powers, want some kind of United Nations guarantee to replace the old arrangements. They are resolutely opposed to Mr Denktash's demand – which the Turkish Cypriot leader says is not negotiable – that Turkey should remain a guarantor of the new state and that some Turkish troops should continue to be stationed on the island.

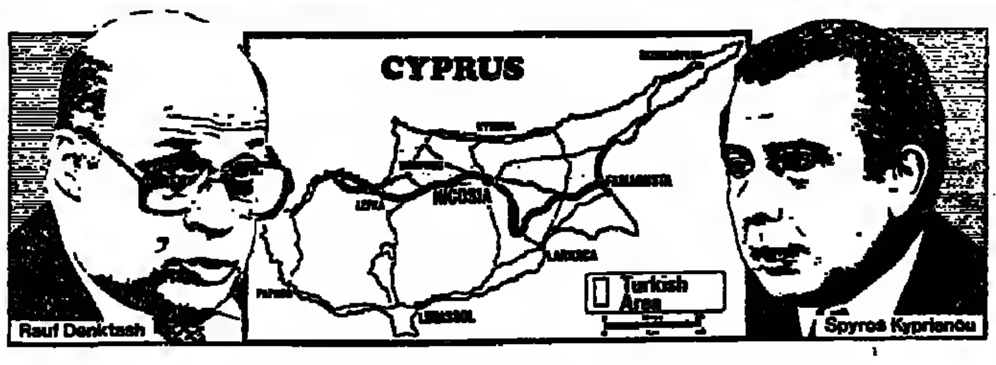
The two sides continue to disagree fundamentally over the timetable of Turkish troop withdrawals from Cyprus. The Greek Cypriots want the withdrawal to take place as soon as an agreement is reached, while Mr Denktash says that it should occur only once the agreement is fully implemented.

The Turkish Cypriots are also opposed to making a declaration on the three basic freedoms in anything but the most general terms, because they fear that this might again lead to the swamping of the Turkish population in the north of the island by an inflow of Greek Cypriots.

The mood is one of tension and expectancy. Diplomats and politicians bill the summit as the best chance for a Cyprus settlement since the 1974 Turkish invasion, in the wake of a Greek junta-led coup against Archbishop Makarios.

The invasion effectively partitioned Cyprus, driving some 170,000 Greek Cypriot refugees from their homes and segregating the island's two ethnic communities. The situation has remained deadlocked through years of United Nations-sponsored inter-communal negotiations, and two summit meetings in the late 1970s.

In November, 1983, the Turkish Cypriots unilaterally declared the occupied zone an independent state, but now, Mr Kyprianou and Mr Denktash are meeting face to face, thanks to more than a year's intense diplomatic effort by Sr Javier Perez de Cuellar, the UN Secretary-General.



Fate of 170,000 refugees is a vital issue for Greek Cypriots

BY ANDRIANA IERODIACONOU

IT WAS being said in Nicosia on the eve of the Kyprianou-Denktash summit this week that the refugees from Famagusta had already packed their suitcases. The one-time tourist goldmine, which has stood as a shuttered and derelict ghost town in the occupied sector of Cyprus for 10 years, is expected to be among the first areas to be resettled if the two sides reach agreement in New York.

From the Greek Cypriot point of view, the fate of Famagusta's citizens and the rest of the 170,000 refugees who fled their homes in the 1974 Turkish invasion is a determining issue in any settlement.

The other vital concern is that the settlement should exclude the slightest possibility of a repetition of the events of 1974 – when one guarantor of Cyprus independence, Greece, launched a coup against the legitimate government of the island, prompting a second, Turkey, to invade while the third guarantor power, Britain stood impotently on the sidelines.

Consequently, in bargaining with Mr Denktash today, Mr Kyprianou will be driving for a settlement which allows the maximum number of refugees to return home within the Greek Cypriot federal zone, and secures the right of free movement and property ownership in all parts of the island for the rest.

He will also be pushing for guarantees by an international body of United Nations members. The Greek Cypriots say Turkey cannot be included, as Mr Denktash wants, given the experience of 1974. "We could discuss the participation of a number of Moslem countries, one Greek Cypriot official said.

Mr Kyprianou will also want an agreement to provide for the withdrawal of the two Turkish army occupation divisions from the island – which, for the Greek Cypriots, is synonymous with a solution to the Cyprus problem.

Without firm and satisfactory arrangements in Nicosia on these points, Mr Kyprianou will have a hard task selling any agreement to the Greek Cypriot public and politicians back home. As it is, the build-up to the New York summit has been such that the President will have some explaining to do in Nicosia, if the talks fail.

The Right-wing and Communist Greek Cypriot opposition, which together accounts for about 70 per cent of the electorate, has been backing Mr Kyprianou

Winds of change in Ankara remove obstacles to pact

BY DAVID BARCHARD IN LONDON

"WE ARE not here to negotiate what has already been negotiated," Mr Rauf Denktash the President of the Turkish Republic of Northern Cyprus, said in New York yesterday on the eve of his meeting with Mr Spyros Kyprianou, the President of Cyprus.

The three day meeting will confirm e draft agreement approved by Mr Denktash on November 27 last year, but how quickly there will be progress to set up a transitional united Cypriot state is less clear.

"We can expect to see the beginning of a reunited Cypriot state in e year's time," says a Turkish official in Ankara, adding as an afterthought "if the Greek Cypriots want it."

Since November it has been clear that the winds of change have been blowing in Turkey and Northern Cyprus. Turkish newspapers have leaked details of an impending agreement. Despite some rumblings, there has been little criticism of territorial concessions once regarded as virtually inconceivable.

Mr Denktash himself refers to the anxieties of his people but says he is pressing ahead. In Ankara too, it looks as if there is a major effort to get the problem unblocked.

"The Turkish side has made significant concessions," says the same Ankara official. Mr Denktash has given up the rotating Presidency of the Republic and there are concessions on the number of Turks in parliament and government. "He has gone to the limit of the concessions he can make short of political suicide."

The outside world believes – and apparently many Turkish Cypriots do too – that Ankara has bowed to U.S. pressure. In Turkey, however, this is not admitted. "There has been no U.S. pressure," officials say flatly, claiming that the change of heart has been on the Greek side.

"We have been promising all along that we were ready to make a settlement if they would negotiate with us. What we are seeing now is the Greeks testing us and trying out our word."

In practice the major Western embassies in Ankara, including the British, have long been hammering home the message that the Cyprus problem, regarded by many Turks as fairly low down in their country's list of problems, was a major obstacle holding up an improvement in Turkey's relations with the West.

It may not have been a stick, so much as a carrot that was applied – the prospect of unlocking large amounts of Western funds for modernising Turkey's 600,000 strong armed forces.

The change comes after a summer in which Turkey and the U.S. narrowly escaped a major confrontation over e Congressional resolution blaming Turkey for massacres of Armenians during World War I. The dispute touched a raw nerve and seems to have been followed by a deliberate effort to cement Turkish/U.S. relations.

This effort may lie behind the proposals which include Turkish Cypriots giving up 8 per cent of the territory of the island and accepting that their ministers should have a right of veto in federal decisions only when they are of special concern to the Turkish Cypriot community.

The most controversial of the Turkish Cypriot requests has been for the right to appoint the foreign minister, a concession which is highly valued as a result of international non-recognition of the Turkish republic of northern Cyprus.

Having accepted the draft agreement on November 27, the Turks are now waiting to see whether the Greek Cypriots will follow suit. "They are showing mixed signs," says the official in Ankara. The Agreement will only provide the framework for a settlement. Precise details will have to be thrashed out by working committees and it is clear that the Turks expect the problems of agreeing on these details to cause delay.

There seems even to be e difference between Ankara and the Turkish Cypriots on the time scale involved which is likely to be the chief stumbling block in the New York negotiations.

In Ankara, it is thought that it could take six months or one year for the committees to complete their work. But Mr Denktash points to the 1960 negotiations which took 18 months to reach agreement. "We are thinking in terms of that period or beyond he said. The Greek Cypriots are talking about two or three years. When the working groups have finished their efforts a transitional Government of Cyprus will be set up to gain legitimacy and the present timetable will start to take effect."

Mr Denktash makes it clear, however, that there is unlikely to be any handover of territory before the transitional period begins, probably none this year.

Yugoslavs fail to agree rescheduling proposals

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

YUGOSLAVIA and its leading commercial bank creditors failed to agree on proposals for rescheduling debt totalling about $3.5bn after more than a week of intensive talks which ended in London yesterday.

A statement issued jointly by both sides last night said the talks had made "substantial progress" towards an agreement covering debt falling due between now and the end of 1988 which has not already been rescheduled. But further discussions will still be needed.

The committee of creditor banks, chaired by Mr Fulvio Dobrich, a senior executive of Manufacturers Hanover Trust, undertook in Vienna last month to work towards a multi-year debt rescheduling arrangement with Yugoslavia and had been expected to set definitive terms at this week's meeting.

But the talks proved more delicate than expected, partly because of economic conditions the banks want to impose on Yugoslavia once this year's agreement with the International Monetary Fund has expired, and partly because the banks want a "serial" rescheduling which is implemented in stages rather than all at once.

Neither Mr Dobrich nor Mr Cvitan Dujmovic, Assistant Federal Secretary for Finance, who headed Yugoslavia's delegation, would comment on the talks last night. But bankers believe the two sides came very close to an agreement in this week's talks.

Mr Dujmovic is to return to Belgrade for crucial consultations with this Government while the bankers' committee is also to solicit the views of a broader range of creditors before the talks resume, probably within a month.

Strasbourg prepares to do battle with Mafia

BY PAUL CHEESERIGHT IN STRASBOURG

THE EUROPEAN parliament yesterday started down the path travelled by Elliot Ness and the Untouchables of the FBI, Interpol, Scotland Yard, the Italian Government and a host of others. It drew up the battle lines for another assault on the Mafia.

Parliamentarians from the right and left joined in pressing the EEC to establish evidence about, and then to act against, the Mafia's apparent predilection for creaming off agricultural subsidies designed to help ailing olive oil farmers and wine producers in Italy. In one incident, according to Sig Pancrazio de Pasqua1e, the Palermo Communist, the Mafia got away with $14.5m after doctoring some wine. Frauds in the olive oil sector could be costing up to $56m a year, said Mr Bob Battersby, the Conservative MEP.

This latest assault on the Mafia follows the commission's own investigations into olive oil frauds, and a parlimentary enquiry of which Mr Battersby was a part, into the same sector.

The Italian Government is meanwhile in the middle of a very lengthy aerial survey to try and establish precisely which farmers are growing what. Parlimentarians, however, have tales of endless delay caused by fog. For years it has been assumed that frauds could not take place without offical connivance and certainly there is no precise idea of the scale on which they have taken place.

"There has been collaboration by the authorities in Sicily, and the Mafia's hand in this is clear," asserted Sig de Pasquale. "There is e degree of political involvement from the major parties which would be unacceptable in the UK," said Mr Battersby.

His colleague, Mr James Provan saw the dark hand of the Mafia hanging over the Parliament itself. With fraud has come violence. Action against the Mafia could provoke violent retaliation said another Italian Communist. Sig de Pasquale named eight men who had been murdered within hailing distance of his home.

"The European Commission should mount a forceful campaign to root out the Mafia thugs and bring them to justice," said Mrs Barbara Castle, the British Labour leader in the Parliament.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 10022

EUROPEAN AND WORLD TRADE NEWS

Snecma takes half share in $2.7bn U.S. air force order

BY DAVID MARSH IN PARIS

SNECMA, the French state-owned aircraft engine company, has made further inroads into the U.S. market by clinching a half share in a $2.7bn (£2.5bn) order to re-equip Boeing mid-air refuelling aircraft for the American Air Force.

The contract, for 137 CFM-56 engines produced jointly by Snecma and General Electric of the U.S., is being welcomed by the French government as a sign that European industry can reap business from the U.S. military build-up.

The latest giant order follows a series of past contracts, the latest placed last summer, to fit CFM engines for civil Boeing aircraft, notably for the 737-300 airliner.

Total CFM-56 orders outstanding now amount to 1,360 units, with new orders over the last year running well ahead of production. Snecma is reckoned as a result to be France's largest single exporter to the U.S.

The latest deal, for the CFM-56 2B-1 version, is for the progressive re-equipping of the U.S. airforce's fleet of KC-135 aircraft, derived from the Boeing 707, which play a decisive role in augmenting the range of fighter and bomber aircraft.

The French airforce is also using Snecma/GE CFM-56 engines to re-equip its own KC-135 refuelling fleet, purchased during the 1960s to increase the range of Mirage IV nuclear bombers and most recently in action in military operations in Chad.

● A much-discussed arms-for-all acquisition by Abu Dhabi of at least 18 Mirage 2000 fighters from the Frencb nationalised aircraft maker Dassault seems to be nearing completion.

The deal, which could be worth around $500m, involves a three-way barter arrangement under which the oil state will pay for the aeroplanes in crude oil, to be lifted by the Total group which has substantial operations in the United Arab Emirates.

A Dassault official yesterday could neither confirm nor deny French Press reports that the deal was signed just before Christmas after months of negotiations.

Abu Dhabi already bought a previous 18 Mirage 2000s in May, 1983, but financial problems caused by the dipping oil price have beld up conclusion of the follow-up order.

Billerud and Stone Container in link-up

By Andrew Baxter in New York

STONE CONTAINER, the Chicago-based paperboard and container group, has formed a joint venture with Billerud of Sweden in an attempt to boost European sales of its bleached kraft linerboard.

The two groups will set up a company based in Lausanne, Switzerland, to market Stone's linerboard, which is used primarily for the manufacture of corrugated shipping containers.

European sales of U.S. linerboard, along with other forest products, have been hit by the strength of the dollar. However, Mr Roger Stone, Stone'e chairman and chief executive officer, said Stone could still compete by accepting lower rates.

Billerud, which last year merged with Stora Kopparberg, another Swedish forest products group, said it expects to broaden its product line through the association with Stone. Billerud is a major European producer of semi-chemical fluting, which along with linerboard is the principal constituent of corrugated containers.

THREE SETS OF ARMS CONTROL NEGOTIATIONS TO RESUME THIS MONTH

Geneva key to wider arms pact

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON

THE GENEVA agreement betweeo the U.S. and the Soviet Union to resume negotiations on limiting the nuclear arsenals of the superpowers has given rise to hopes that some progress might be made in other areas of arms control.

The three sets of arms control negotietions which have rumbled on despite the recent freeze in U.S.-Soviet relations all resume before the end of the month. Those on chemical weapons started again in Geneva this week, next week sees the resumption of the 11 year-old Vienna talks to limit troop numbers in central Europe and on Januar 29 the 35-nation Committee on Disarmament in Europe (CDE) reassembles in Stockholm.

The three sets of talks, all involving other states as well as the U.S. and the Soviet Union, are not to be taken under the "umbrella" of the new Soviet-American negotiations agreed in Geneva.

But as all three have been affected by the deterioration in relations between the superpowers following the Soviet walk-out from the Eucomissile talks in November 1983, it might reasonably be expected that the chances of progress would improve as a consequence of the resumption of the superpower dialogue.

In fact, though Western officials say it is too early to judge the possible spin off, there is little optimism about any of the three non-nuclear negotiations.

A diplomatic consensus seems to be emerging that available political energy in Washington, and possibly also in Moscow, will be directed towards the new nuclear and space weapon talks. As one European official put it, "there may not be enough political motive force to go around" to cope with the new talks as well as with intractable differences over chemical weapons or conventional forces in central Europe, at least for the time being.

Of the three sets of talks, the CDE is the most nebulous, though ironically more "progress" has been achieved in Stockholm in the last few weeks than in Geneva and Vienna put together.

Late last year, within days of the agreement that Mr George Shultz, the U.S. Secretary of State and Mr Andrei Gromyko, his Soviet counterpart would meet in Geneva, a procedural log-jam was broken in Stockholm and detailed negotiations can now begin.

The CDE, which opened a year ago and had seen little but set speeches all year, is the main product of the Madrid review conference of the Conference oo Security and Co-operation in Europe (CSCE) set up in 1975 under the Helsinki Act.

It is expected to drag on for years, as the two working groups and several subgroups which have now been agreed try to see if common ground can be found for measures to improve military security.

These range all the way from notification of manoveuvres and exercises to a Soviet wish to reach agreement on the no-first use of force and nuclear free zones in Western Europe.

No Western diplomat expects either rapid or dramatic progress – though all acknowledge that the success in the new U.S.-Soviet arms control negotiators would be of great importance in building confidence in the future of the Helsinki process.

There has been no progress over the last year in either the chemical weapons talks, held under the auspices of the UN Committee on Disarmament in Geneva or in the 19 nation east-west Mutual and Balanced Force Reduction talks (MBFR) in Vienna.

Today, the chemical weapons talks are politically most urgent. Western European governments, including the British, are under increasing pressure from their military chiefs to match growing Soviet stockpiles of chemical weapons.

The U.S. holds ageing stocks but Britain and other European countries do not. Britain has destroyed its chemical weapons plants and now leads Europe's demands in Geneva for e complete ban on the stockpiling and manufacture as well as the use of chemical weapons.

However, a U.S. draft treaty involving such a complete ban, tabled last April, has aroused little enthusiasm in Moscow, partly because it envisages unprecedently tough verification measures.

Western diplomats admit privately that there is no hope of Soviet agreement unless these are modified, and so far no sign of a willingness in Washington to countenance such modifications.

As for the dispiriting MBFR talks, it must be doubtful whether either the West or the East now wants an agreement. The talks have been deadlocked for most of the past 11 years over the so-called data issue. Both sides in principle agree that their troops in Europe should each be reduced to 700,000. However they disagree on the starting point, the West alleging that the Warsaw Pact has 160,000 more troops than it acknowledges.

Last year, in what has become a ritual, it was the Western turn to put forward new proposals. This year it could be the Warsaw Pact which presents itself as trying to hreak the deadlock.

Yet both sides are wary in the present climate of mistrust of actually agreeing measures which would hreak the mould which has held central Europe fast – but peaceful – since 1945.

Strike by 1,200 at Norsk Hydro

By Fay Gjester in Oslo

A STRIKE by 1,200 employees of Norsk Hydro, Norway's largest industrial concern, was yesterday affecting production at all but one of the company's Norwegian plants – its aluminium smelter at Karmøy, western Norway.

At all Norsk Hydro's other facilities, output had either stopped completely or was being gradually scaled down in preparation for what could be a long dispute.

Places hit included Herøya, in east Norway, the country's biggest industrial complex where the group makes fertiliser, polyvinyl chloride and magnesium metal; an ethylene cracker at nearby Rafnes; and an ammonia and fertiliser plant in Glomfjord, northern Norway. The productioo loss at Herøya alone is costing Norsk Hydro an estimated NKr 6m ($650,000) per day.

The strikers, who downed tools early yesterday morning, belong to four unions organising white collar workers and technicians. They seem likely to be joined by 800 employees in similar jobs, belonging to three independent unions.

Because they hold key jobs, these 2,000 can virtually paralyse activity at most of Norsk Hydro's Norwegian plants.

Investment boost for Portugal

DIRECT NEW foreign investment in Portugal totalled $191m (£173m) in 1984, a rise of 30.8 per cent from 1983, when the figure was $146m. Foreign investment had fallen from $151m in 1981 to $123.7m in 1982 when Portugal's economic and political management were shaky.

Greater growth is expected this year when major projects, including over $100m of new British capital for paper mills and copper mining, should come to fruition.

Vigorous efforts by the new head ofthe Foreign Investment Institute, Sr Viana Baptista, to improve data bave permitted the Institute, which co-ordinates foreign investment, to make a tally of all foreign capital.

In December, 1983, total capital of Esc 38bn ($2.28bn) was held by 1,400 foreign-owned companies. The figure is considered somewhat misleading in relation to their real impact on the economy: many old-established, foreign-owned firms stil operate on their original 30-40-year-old capital, often very small, and use higher reserves to cover their needs. The only figure available so far to the Institute is that of the capital.

The Institute's annual figures for 1984, which Sr Baptista considers reasonablo but with much room for improvement, show that 59 per cent of last year's new investment was in the tertiary sector. Banks and investment or leasing companies taking advantage of a more liberal system. Hotels took 11 per cent. Ideally, the Portuguese would prefer heavier foreign investment in industry.

Investment in manufacturing obtained 35 per cent of the total, with electro-metallo-mechanical industries accounting for 19 per cent.

The Institute would like to see more foreign investment in agriculture and agro-industry — sectors that badly need new technology and energies.

As a block EEC countries provided the largest share of direct investment, with 36 per cent oft he total. The U.S., with 35 per cent of all new investment was the largest single investor, followed by France (12 per cent), Switzerland (11 per cent) and the UK (10 per cent).

Cuba in non-sugar exports drive

By Robert Graham

CUBA is to make a major effort this year to expand non-sugar exports to countries outside the Socialist bloc to raise hard currency earnings. The decision was taken at a recent meeting of the Cuban Communist Party's central committee.

Cuban officials have made it clear that the hard currency export drive will not affect existing trading arrangements with Comecon, of which Cnba is an associate. Bnt the targets set by Sr Fidel Castro, the Cuban leader, are high.

He is understood to have proposed non-sugar export earnings of $500m (£455m) per annum. Significantly this represents roughly the amount Cuba is understood to have earned in 1984 from the Soviet Union in hard currency as a result of incentives paid for energy saving. The Soviet Union supplies directly and indirectly some 10m tonnes of fuel a year to Cuba and last year 180,000 tonnes were saved.

It is not clear whether the higher exports will be achieved by increasing production or by cutting domestic consumption. Free market sugar sales of around 2m tonnes at current depressed prices are netting some $250m (£227m) a year.

The principal non-sugar exports are nickel, citrus, and shellfish. Nickel and citrus production are being expanded but until now the increased outpot has been intended for Comecon. The Cubans have shown interest in allowing their cheap but skilled labour to be used to assemble light manufactured goods for Western companies.

Cuba's need for more hard currency has been prompted by increased imports of Western industrial goods and the need to service the country'e debt with Western banks and governments.

However, the move could also be seen as a gesture to try and diversify the economy'e enormous dependence on Comecon. The Soviet Union'a total annual assistance is reckoned to be worth close to $4bn.

According to the Central Planning Board, Cuba's economy grew 7.4 per cent in 1984—the highest rate of any country in Latin America and nearly donble the rate predicted at the outset of the year. However, observers have noted that thie may be connected with this year's 25th anniversary of Castro's revolution.

Leighton wins two deals in Sydney worth HK$2.1bn

BY DAVID DODWELL IN HONG KONG

LEIGHTON Contractors (Asia) reported in Hong Kong yesterday that its Australian associate had won two contracts in Sydney worth an estimated HK$2.1bn (£233m). One, Leighton's largest contract ever, is to redevelop Darling Harbour, a 50 hectare waterfront site in the heart of the city.

The Leighton group, in which the German group Hochtief has a 38 per cent stake, is active in Australia, Hong Kong, south east Asia and the U.S. Leighton Contractors Pty, which has heen awarded the two contracts in Sydney, claims to be Australia's largest construction group.

The management contract for the redevelopment of Darling harbour, a historic area intended to be the centre-piece of the New South Wales 1988 bicentennial programme, is worth HK$1.6bn. The complex will include an exhibition and convention centre, a Chinese landscaped garden, harbourside parklands, and a national maritime museum.

The second project, worth HK$520m, is for the design and construction of an office complex in Parramatta in the centre of Sydney. This due to be completed by the end of 1986.

● South Korea's electronic exports in 1984 rose 40 per cent to $4.25bn from a year ago, the electronic industries association of Korea has reported.

Accounting for 14.6 per cent of 1984 overall Korean exports, the electronics exports were listed at $19.15bn, the association said.

Semiconductors led the increase, with a 30 per cent sbare of the electronic export total, or $1.28bn, and an increase of 50.8 per cent in value from 1983. The South Korean industry has been stressing semiconductors and is planning to market advanced memory chips abroad this year.

AMERICAN NEWS

Tim Coone in Managua reports on the prospects for peace with the Indian guerrillas

Sandinistas try to end Atlantic coast war

REPRESENTATIVES of the Nicaraguan Government and leaders of the anti-Sandinista Indian guerrill organisation Miaurata, are due to sit down for a second round of talks in Bogota, Colombia, this weekend to try to put an end to the war on Nicragua's Atlantic coast.

The coastal region is a contrasting maze of steamy jungles, half-cleared pine forests and slow meandering rivers, which is isolated from the rest of the country. It contains 10 per cent of Nicaragua's population but over half its territory. The population is mainly indigenous Indians—the Miskito, Rama and Sumu communities — and the Creole descendants of slaves brought in the 19th century.

On its own admission the Sandinista Government knew little about these Caribbean and mostly English-speaking communities when it took over. Clumsy imposition of the ideals of the Sandinista revolution from distant Managua first provoked resentment then outright opposition.

For the past three years the Atlantic coast has become a major political and military headache, as Indian opposition to the Government has been exploited by the Sandinistas' opponents in the U.S. Administration and the Spanish-speaking Nicaraguan exile community in Miami.

The Sandinista Government has now begun to seek reconciliation with the communities, however, to end an increasingly costly internal conflict. These moves have provoked consternation among other anti-Sandinista movements.

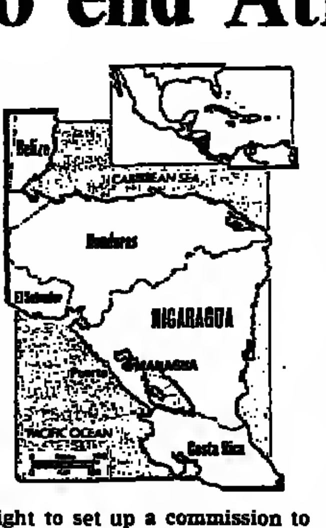
Through the good offices of the Colombian Government, talks opened in Bogota on December 8 between the main Miskito Indian leader, Sr Brooklyn Rivera leader of Misurata, and Sandinista officials. A surprising similarity in their positions has led to speculation that an end to the war might not be too far away.

The two main issues are control of the region's vast natural resources and the fate of the Miskito guerrilla forces. The region possesses timber, minerals and fisheries, plus the possibility of hydrocarbons and a huge tropical crop potential. As for the guerrilla forces, it is a question of whether they would be disarmed or integrated into the Sandinista army.

The Government is proposing the indigenous communities be granted a form of autonomy. They would enjoy special rights to bilingual education, use of traditional lands as they see fit, and receive some benefit from the natural resources, according to Sr Louis Carrion, vice-Minister of the Interior and head of a commission set up to draft the autonomy proposals.

The commission includes several people from the Atlantic coast respected by Misurasata, but Sr Rivera's participation in the discussions has depended on him first ordering a ceasefire, which he has refused to do.

"The Government has every right to set up a commission to draw up its autonomy proposals," Sr Rivera said. "We already have our proposals, and we want to negotiate the two sets of proopsals directly, and not just be consulted on the Government's plans. We are not asking for separation. We are not asking for all the resources — we want our historic rights to a share."



Sr Rivera also has to take into account the views of his military commanders in the field. A recent meeting held deep in the jungle between his five top commanders and the eight top commanders of the rival Indian guerrilla organisation Misura, agreed to establish a unified front on the Atlantic coast against the Government.

Two of the commanders said they would support a ceasefire, but only as long as any agreement was on the terms of the wishes of the people of the Atlantic coast. "If it isn't, Rivera can't negotiate peace," they said.

The commanders said they would not lay down their arms. "We could, however, accept a military force to defend the communities made up of people from the Atlantic coast," said one. Sr Rivera is proposing that Government troops withdraw to the main towns and mining areas, leaving the smaller communities to be defended by his troops, with the support of the army if necessary, against the two U.S.-backed guerrilla organisations, Arde and the FDN. The Government has apparently indicated in private that it is willing to negotiate such a proposal.

Sr Rivera said, however, that U.S. State Department officials were unhappy with this plan. "They say the Sandinistas will never grant autonomy and don't want us to pull out of the war," he said. "But the FDN and Arde are not interested in the struggle of the indigenous people."

Much may now hinge on the level of support offered by several Western countries which have been involved as observers in the talks, including Sweden, the Netherlands, France and Canada. Resettlement of over 50,000 refugees and development of the Atlantic coast will be a daunting financial task, but offers of aid could make the Sandinistas more generous.

There are also other incentives for a settlement. Resolution of the Indian question will blunt the main criticism of five years of Sandinista rule, will allow a chance to begin the development and exploitation of the region's economic potential, may help to increase European and military aid will squeeze the anti-Government guerrillas from both sides.

Sr Carrion said yesterday: "One thing is clear. Misurasata does not represent the interests of all the people of the Atlantic coast. It is one of several groups and there are divisions amongst them. Misurasata can participate in the discussions but autonomy will go ahead with or without Brooklyn Rivera."

The Government's main worry, it seems, lies in the legal definition of the autonomous rights to be granted to the Indians. It does not want to be trapped into possibly having to face a later claim for independence, which it will not cede.

Sr Rivera and his commanders both say they are not seeking independence, only firm concessions over the management of their own affairs.

With the economy rapidly deteriorating under a foreign exchange crisis and the heavy cost of the war, there is a strong incentive for flexibility on the part of the Government. The coming months will be a true test of the Sandinistas' willingness to compromise.

Argentina signs $2bn debt agreement

By David Marsh in Paris

ARGENTINA last night signed a debt rescheduling accord to spread out into the 1990s $2.1bn of payments owed to Western governments during the period 1982-85.

Britain, which has not participated in previous central bank efforts to relieve Argentina's debt problems because of the Falklands issue, was among the 15 creditor countries which signed the deal.

Sr Bernardo Grinspun, Argentine Economy Minister, called the accord "a happy end to a long year of negotiation." He pledged to keep up efforts to cut Argentina's 600 per cent inflation rate as part of recently agreed International Monetary Fund guidelines.

These also include monetary and fiscal restraint to reduce inflation to only 300 per cent this year.

"We do not make engagements which we cannot accomplish," he told a press conference.

Of the amounts rescheduled, $800m covers debt due this year under credits guaranteed by Western governments, while $1.3bn represents arrears for 1982-84.

Ninety per cent of this year's payments will be rescheduled over the next 10 years with five years of grace. The remaining 10 per cent will be rescheduled during the next five years.

For the arrears, 75 per cent will be paid over eight yers with three years of grace, with the remaining 25 per cent also to be rescheduled during the next 3 years.

Brazil debt talks hinge on accord over interest rate

BY ANDREW WHITLEY IN BRASILIA

NEGOTIATIONS between Brazil and its 14-member bank advisory committee in New York on a multi-year rescheduling agreement have reached a delicate final phase. The main sticking point remains disagreement over the "spreads" to be charged on the rescheduled debts.

The talks were due to resume yesterday afternoon, for what was described here as a likely decisive session. According to usually well-informed Brazilian Press reports, at Monday's meeting positions on the key interest rate question hardened on both sides.

Bankers negotiating with one eye on the outcome of Tuesday's presidential election in Brazil will have been relieved by the conspicuous absence of any reference to the foreign debt issue in the acceptance speech of Sr Tancredo Neves, the President-elect.

Political aides of the former opposition leader commented later that the exclusion of the issue was clearly intended not to complicate the New York negotiations.

Reports from New York and leaks from Government officials here put the overall package of debt being renegotiated at between $45.5bn (£40.99bn) and $46.7bn—out of the total outstanding at the end of 1984 of $100.2bn.

This package is reportedly made up of amortisations falling due up to and including 1991. It would include the debt already rolled over in "Phase 1" of the Brazilian programme, but exclude "Phase 2" rollovers from last year. Small capital repayments would commence this year.

According to these reports, unofficially confirmed here, Brazil will get a 16-year repayment term. Inter-bank lines to Brazilian banks, currently totalling $6.7bn, will not, however, be automatically renewed, as in the past.

Complicating the Brazilian debt negotiations has been the outgoing government's wish to achieve "spreads" on a par with the 1.25 per cent conceded to Mexico.

Bankers have resisted this demand, primarily on the grounds that the average interest rate applicable to the outstanding Brazilian debt stock — about 1.75 per cent — is higher than was the case for Mexico.

Sharon wins first round in libel suit against Time

A JURY yesterday took the first step towards giving former Israeli Defence Minister, General Ariel Sharon victory in his libel suit against Time magazine, saying he was defamed by a story about the 1982 massacre of Palestinians in Beirut, Reuter reports from New York.

The jury of four women and two men continued deliberating on the next two tests of libel under U.S. law—whether the story was false and whether Time published it knowing that it was false or with reckless disregard for the truth.

Gen Sharon must get affirmative answers on both questions to win his $50m (£44.9m) suit.

Yesterday's initial decision came after 17 hours of deliberation.

General Sharon's lawyer, Milton Gould, said: "General Sharon and I are delighted. It's one down and two to go."

A slight smile flickered across Gen Sharon's face as he sat in the front row of the court room.

Gen Sharon's aides had been saying for the past few days that he would be satisfied with a defamation finding and that a full verdict was not of major significance.

Mr Ray Cave, Time managing editor, said he was "Obviously disappointed."

Legal experts said the second question on falsity might be decided quickly but predicted a drawn-out battle on the third

World Bank commitments fall

BY STEWART FLEMING IN WASHINGTON

THE World Bank, which provides funds to developing countries, wil fall $2bn (£1.796m) short of its lending targets for the current financial year and is planning to postpone for six months steps to increase its capital resources from shareholder nations.

This was confirmed yesterday by Bank officials who said the planning for a capital increase was initially to be launched in April at the Interim Committee meeting of the International Monetary Fund.

This topic will now be put on the agenda for the IMF's annual meeting in Seoul, South Korea in September.

Bank officials said the bank had predicted last year that its lending commitments in the current financial year ending June 1985 would be between $12.6bn and $13.3bn.

However the pace of loan commitments has now slowed, partly because of the more cautious policies being adopted by major borrowers such as Nigeria and Brazil, and partly because of the continuing shift away from lending for projects to help finance economic structural adjustment in various countries.

As a result, it is expected that the Bank's lending could fall as much as $1bn below the 1984 level of $12bn.

This would be the first time since 1967 that the bank's lending has declined.

The slowdown in lending poses a political challenge for the Bank since it provides grounds for the U.S. to argue that an early capital increase may not be needed—orat least that any increase needs to be smaller than what the bank might like to see.

The Reagan Administration has been critical of the rapid expansion of the bank.

The counter argument, however, is that the slowdown in demand for Bank funds is likely to be temporary and that given both the financing demands of the developing world and the reluctance of commercial banks to meet those needs it will be followed by a sharp acceleration which will make an increase in the bank's capital even more urgent.

Jamaican leader calls for calm

JAMAICAN Prime Minister Edward Seaga appealed for calm yesterday after violence swept the island following price rises and the decline of the Jamaican dollar.

Police reported that three men were killed and at least six were injured on Tuesday in demonstrations triggered by a 21 per cent rise in the prices of petroleum products.

Argentine trade unions criticise wages policy

BY JIMMY BURNS IN BUENOS AIRES

THE Argentine Government's attempt to curb the country's three-digit inflation by a more restrictive wages policy has come under renewed fire from the major trade union organisation, the General Confederation of Labour (CGT). The CGT criticism came prior to a fresh round of talks aimed at securing a broad agreement on prices and income.

The CGT, once again under the firm control of the opposition Peronist Party following a series of union elections, criticised the Government's latest wage guidelines as "discriminatory, confused, and insufficient."

The CGT leadership has not withdrawn from the planned talks due later this month as the hard-line rank and file wanted, but has warned that any future agreement would be conditional on a more generous wages policy and the return to labour of control of the social security system.

President Alfonsin has promised that next month's wage increases will be the product of a negotiated "social contract" and not the result of government decree.

The Government, however, yesterday decreed a 20 per cent and private sectors.

But the CGT is insisting that the figure has not adequately compensated an estimated drop in real salaries during 1984 of 8.45 per cent and an expected inflation rate of over 20 per cent in the month of January.

OVERSEAS NEWS

UN force must keep south of Litani River, says Karami

BY RICHARD JOHNS IN LONDON AND DAVID LENNON IN TEL AVIV

LEBANON'S refusel to contemplate the deployment of UN peace-keeping forces north of the River Litani and, by definition, in the area soon to be evacuated by Israeli troops, was confirmed yesterday by Mr Rashid Karami, the Premier.

He was speaking after he and President Amin Gemayel had hel dtaiks in Beirut yesterday with Mr Brian Urquhart, UN Undersecretary-General, who continued his triangular shuttle for consultations in Damascus with the Syrian Government.

Syria, with its decisive influence over Mr Karami's Government of National Unity, is also adamantaly opposed to an expanded role for Unifil, the 5,600-man force currently south of River Litani. Both regard the deployment of UN forces north of it as way of helping Israel to consolidate its grip on the border area north of the frontier through the South Lebanon Army, its proxy force.

Mr Urquhart is expected to report to Mr Javier Perez de Cuellar, UN Secretary-General and submit recommendations to him when they meet in London on January 21.

Israel has served notice that it will not intervene to prevent any massacres when it stages the first phase of the withdrawal from Lebanese territory decided upon three days ago.

General Urri Orr, the Israeli's northern commander who is responsible for the operation, said yesterday: "I do not know what will happen when we leave Sidon but I prefer to leave that problem to (President) Amin Gemayel."

It was reported yesterday that Lebanon and Syria had agreed to resume their deadlocked talks on Israeli withdrawal and security arrangements which were suspended on January 7. But a military spokesman in Tel Aviv was quoted as saying that they would not start again this week.

According to Israeli newspapers, the Israeli Army could begin pulling back from the Awali River in two weeks and the operation would take three weeks to accomplish.

● President Hosni Mubarak of Egypt arrived yesterday in Athens for a two-day official visit for talks which are expected to concentrate on the possibility of a European role in the revival of the Middle East peace process, as well as bilateral relations.

Japanese demand higher oil price discount from Iran

BY KATHLEEN EVANS IN KUWAIT

IRAN's MAJOR oil customers, the Japanese, are asking for a $4 a barrel discount off the new prices recently announced for Iranian crude.

Just 10 days ago, the Iranians increased their prices to bring their crude more in line with Opec levels. Iranian light is now officially $29.11 a barrel and heavy crude, $27.55 a barrel. So far, the National Iranian Oil Company has only offered $2.50 a barrel discount to the Japanese to take account of war insurance and additional freight costs incurred by Kharg Island loadings.

The Japanese are seeking to return to prices which prevailed after discounts of the oil price levels, though the demand for a $4 discount would take it even lower. The previous discount was between $1.7 to $2 a barrel.

Buyers say they are in a strong position for they know that Iran has to earn more money to fund its war effort. "They have to encourage us to lift crude, and offer us incentives to do so," commented one.

Angela Dixon adds from Abu Dhabi: Abu Dhabi has set limits on oil production from its main fields to bring the overall output of the United Arab Emirates in line with its quota under Opec's current agreement.

Its action is in response to Opec's intensified efforts to assert discipline and observe the collective ceiling on output of 16m barrels a day. The UAE quota was reduced from 1.1m b/d to 950,000 b/d at the end of October but in practice it exceeded its quota late last year reaching 1.2m b/d at one point.

British travellers bayonetted

The deteriorating security situation around the Mozambican capital Muputo has been underlined by the murder of two British travellers near the country's border with South Africa on Sunday and sabotage attacks which have cut power and rail links to the city, writes Anthony Robinson from Johannesburg. Mr Peter Hunt, 49, and his brother Christopher, 24, were dragged from their car and bayonetted by rebels from the Mozambican National Resistance (MNR).

Military in cabinet

Bangladeshi President Mohammad Ershad yesterday appointed a cabinet comprised entirely of military officers as a step towards restoring democracy in the elections announced on Monday for April 6, Reuter reports from Dhaka. He dropped all 13 ministers from the government-backed Janadal Party following opposition demands for a neutral caretaker government in the run-up to the elections.

China-Vietnam clash

China said yesterday it had beaten back a series of Vietnamese incursions into southern Yunnan province, Reuter reports from Peking. "All the invaders were expelled," China said.

Intelligence shake-up

A major shake-up in Taiwan's intelligence network is expected following the arrest of a high-ranking officer in connection with the killing last year of a Sino-U.S. journalist in California, writes AP from Taipei. "Several others" were being questioned, the Government said.

'Famine goods taken'

Australia has protested strongly to Ethiopia over the seizure of wheat and other goods intended for famine victims in guerrilla-held areas of the country, writes Reuter from Canberra.

Thousands are still suffering the effects of the poison gas leak, reports **John Elliott**

Fear of long-term illness in Bhopal

FEARS of recurring illnesses and even of cancer are sweeping the central Indian city of Bhopal, six weeks after a pesticides leak killed more than 2,000 people in what is believed to be the world's worst industrial disaster.

Some experts suspect the early deaths were caused by direct cyanide poisoning. A few of the casualties have suffered brain and liver damage and there are widespread but unconfirmed reports that far more than 2,000 to 2,500 people have died.

The tragedy occurred when methyl isocyanate (MIC) gas leaked from a Union Carbide pesticides plant. Many people living in the worst-affected areas near the plant and now complainting of bronchitis, bronchial asthma, hazy vision (though not blindeness), listlessness and depression.

Many also say that they do not have enough energy to do normal work. The latest symptom reported by doctors in temporary clinics and hospitals is itching skin and rashes.

Out of 180,000 people treated for ailments, there are also worrying cases of relapses by about 1,500 people whom doctors hoped they had cured of respiratory troubles. These cases may, however, be partly caused by recent cold weather and partly by too abruptly ending treatment with drugs such as cortisone.

To try to discover a pattern in the respiratory problems, about 200,000 people are to be screened for damage to lung tissues and an intensive lung care unit is to be established.

Having emerged from the first phase of shock and urgent relief work, the people of Bhopal and the local authorities are having to face up to the prospect of uncertainty and illness continuing far into the future.

"What can the man in the street be making of it when even I am not able to grasp at something concrete for the future" says Mr Arjun Singh, the 54-year-old Chief Minister of Madhya Pradesh, of which Bhopal is the capital.

Mr Singh has presided over a $15m relief operation which has sometimes been criticised for starting too slowly and for a lack of medical supervision, but has not inspired any strong protests.

While Union Carbida has drawn universal condemnation —and has been sued for billions of dollars compensation — Mr Singh's State Government has managed to escape severe criticism, even though it was responsible for administering safety controls and should have prevented mushrooming housing near the plant. Mr Singh's Congress (I) party is expected to win comfortably in Bhopal's delayed general election polling next Monday and in state assembly elections in March.

It is the lack of knowledge of the future extent of that suffering which is now worrying doctors and administrators, some of whom admit they are dispirited by the prospect of relief work being needed for years. The biggest worry is of the risk of cancer and later genetic complications.

Professor Hit Kishore Goswami, head of Bhopal University's genetics department, says that at least three years of intensive research is needed to see if tumours develop in patients who are showing abnormal signs of rapid division of white blood cells. "There need not be panic among the people and we are not saying at this stage that there are increased chances of cancer, but all the patients have to be constantly screened and studied," he says.

Some patients are also showing signs of having damaged chromosomes which could cause genetic complications, possibly affecting future generations. "Immediate effects will be known within two years. A pregnant woman can abort or produce a child with some fault. But some latent effects may not be known for a decade," says Professor Goswami.

Another medical debate has arisen over whether the initial deaths were caused by direct cyanide poisoning, which kills immediately and could have widespread implications for the use of MIC elsewhere.

Experts say that thio-cyanate in the MIC could have turned into direct cyanide either in the very high temperature that built up in the pesticides plant before the leakage, or when it was mixed with sulphur in people's bodies.

The clue is that the blood and tissues of both people and animals killed just after the leak was coloured cherry red, according to a report given to an Indian Medical Association conference by Dr Heresh Chandra, a leading pathologist working in Bhopal. Cherry red blood is usually caused by carbon monixide, which was not present, or by cyanide.

Two reports support the cyanide theory. One leading expert says: "Cyanide gives you no time, and the mortality on that day was so quick. There was projectile vomiting, people threw away their clothes as if hot, had convulsions and died. Others sat as if dazed by morphine. Those who died later, died differently."

A so-far unpublished report by the Indian Council of Agricultural Research says: "Animals were reported to be dead within three minutes of inhaling the gas after showing symptoms of frothy discharge from the mouth, lachrymation, open-mouth breathing, abortions; mostly in late stages, and going around in circles." But nothing definite has yet been proved and Union Carbide has denied that cyanide entered people's blood.

The total number of deaths may never be known. The state Government's total is about 1,700 (nearly 500 in hospitals, 800 others taken direct to mortuaries, plus 300 more) and no senior Government official or doctor will accept a figure above the generally quoted totals of 2,000 to 2,500.

But Dr R. K. Bisarya, the city's Mayor and owner of a medical clinic, says it could be 3,000. Other forecasts range well over 10,000.

"My personal assessment is 6,000 to 8,000 deaths—bodies were carried off in truck loads, cremated one on top of the other, and buried together. There can be no records of these people," says Mr M. L. Garg, a retired Indian Army brigadier who runs a large cardboard and packing case factory just 400 yards from the Union Carbide plant.

"The main complaint at work is from people doing manual labour who get short of breath after a couple of hours or after going upstairs," says Mr Garg.

But the wizened trees and grass between his factory and the plant that were scorched white by the gas are now sprouting new green leaves. "The future will be allright, but this will never be written off from our minds—just like the people of Hiroshima and Nagasaki will remember," says Mayor Bisarya.

SIKH LEADER SHOT IN PUNJAB

Indian Prime Minister Rajiv Gandhi last night faced a major threat to peace in the tense state of Punjab after an assassination attempt on one of the five Sikh high priests, Kirpal Singh, writes K. K. Sharma from New Delhi. Kirpal Singh survived the attempt on his life, but the attack threatened to shatter the three-month calm in Punjab, which has been peaceful since Mrs Indira Gandhis assassination on October 31 by Sikh security guards.

Yesterday's attack was condemned by Mrs Gandhi and Sikh leaders last night when senior ministers were called into emergency meeting. Political observers said the attack was a "deliberate act by Sikh extremeists to sabotage" the initiative taken by the Prime Minister to resolve the Punjab problem. Mr Gandhi has formed a committee of senior ministers to suggest a solution to the crisis in Punjab, where Sikh extremists are seeking an independent state.

After two years of escalating terrorist activity, Mrs Gandhi last summer ordered the Army to take the Sikhs Golden Temple shrine in Amritsar. The order set off a chain of events that led to her assassination.

Japan's Socialists to debate pragmatic line

BY JUREK MARTIN IN TOKYO

THE leadership of the Japan Socialist Party, the largest opposition party, will today formally present a plan intended to transform it into a social democratic party along more pragmatic Western European lines.

In so doing, it will seek to consign to the past the doctrinal positions, many of them drawn from the teachings of Marx and Lenin, that have, in the opinion of many observers, contributed to the steady decline of the JSP since it last participated in a Japanese Government in 1948.

The blueprint, very much the handiwork of the party chairman, Mr Masashi Ishibashi, is to be laid before a JSP convention opening here today. Its selling point is that, if adopted, it could make the JSP a more attractive coalition prospect both to the middle-of-the-road parties and, conceivably, to dissident elements inside the ruling Liberal Democrats.

However, Mr Ishibashi has been trying to drag his party towards the centre ever since becoming chairman in 1983; the JSP's gains, albeit modest, in the general election 13 months ago, did his intra-party standing no harm, and his national visibility has risen as a result of his foreign travels, including Washington, Moscow, Peking and Pyongyang (where he certainly played a policy role).

But the party's divisions, like that of the Labour Party in the UK, run deep and the Ishibashi reforms are likely to encounter stiff opposition. Much as he has persuaded the party to accept the existence of the Japanese military, he now wants it to accept that nuclear power, properly safeguarded, is here to stay in Japan, thus breaking with current policy.

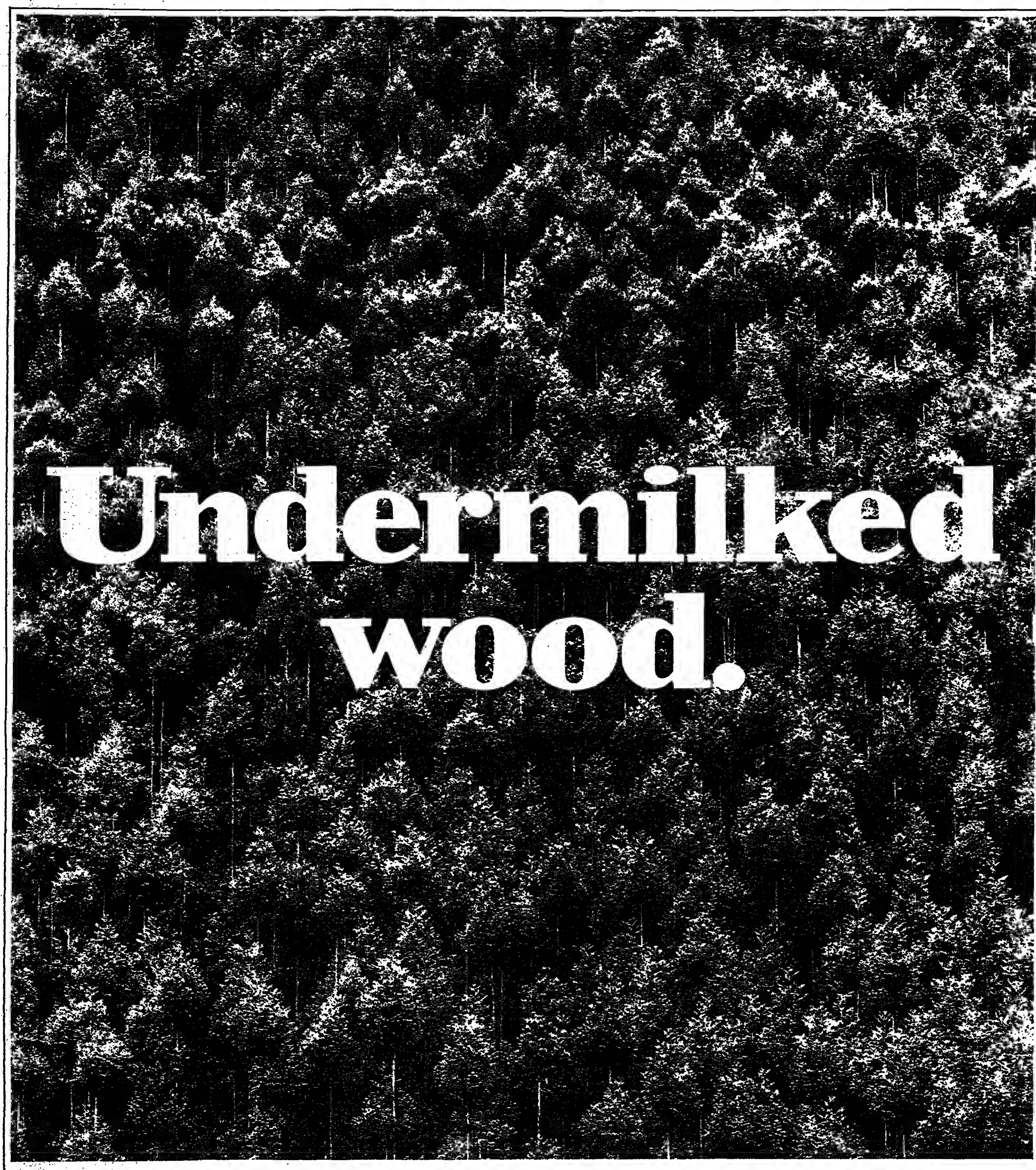
The convention starting today will, of itself, settle nothing. It may take another year for the JSP to alter its standing positions; it is likely to take a good deal longer before any fundamental political realignment emerges.

Miti accused by petrol retailer

A SMALL independent petrol retailer says Japan's Ministry of International Trade and Industry (Miti) is employing questionable means to prevent it from directly importing petrol, AP-DJ reports from Tokyo.

Mr Taiji Sato, president of Lions Petroleum, argues that Miti's actions are aimed at protecting large corporations.

Oil industry officials in Tokyo say Miti's stance is aimed at stopping imports from newly opened Saudi refineries to Japan.



(Or how some of the world's best foresters are growing a £96,000,000 industry in Wales.)

As you can see, Wales isn't short of the odd tree.

These small-diameter coniferous roundwoods (as foresters like to call them) grow in both the north and south.

And a new mill at Shotton, Clwyd, is opening to make good use of them.

What, you might ask, has this woodland tale to do with you?

In fact it's an example of how far the Welsh Development Agency goes to develop a new business opportunity.

We commissioned a feasibility study on forestry in Wales.

And sent the findings to the giants in the paper industry.

And to the major banks in Europe, Scandinavia and South America.

Now United Paper Mills, of Finland, are moving in.

But it's the feasibility of <u>your</u> move to Wales that matters to you.

Perhaps it's help with finance that you need.

Or your main concern could be whether the right factory or green-field site is available.

Or if transport facilities are right.

Or that the workforce is sufficiently willing and adaptable.

Hundreds of companies have come here over the last few years precisely because they have found they can make the products they want and the profits they need.

The WDA has put together a package of information telling you why your business would benefit from a move to Wales.

It's completely free and you can get it by sending off the coupon.

Mail it today; it could be your first move towards the top of the tree.

I am thinking of relocating my existing business/establishing a new one. Please tell me why Wales will be right for me.

Name________

Position________

Nature of business________

Company________

Address________

Tel. No.________

WDA Welsh Development Agency

P.O. BOX 100, GREYFRIARS ROAD, CARDIFF CF1 1WF TEL: CARDIFF (0222) 32955

UK NEWS

Lloyd's to make its rules tighter

By John Moore, City Correspondent

LLOYD'S of London is planning wide-ranging changes to its rules governing its 23,438 members in an effort to tighten up security on its insurance policies and to incorporate more flexibility in the membership structure.

The plans were outlined yesterday in a 53-page consultative document prepared by a working party of the Lloyd's insurance market. It represents the most radical review carried out of the Lloyd's membership structure in years.

The question of membership of the Lloyd's insurance market has been a highly contentious issue for a number of years. Arguments about the complexity of the membership requirements, the underlying support those requirements give to the security of Lloyd's policies, and whether they are flexible enough have raged in the market for years.

In essence, then, the working party has addressed itself to three main issues; the levels and nature of the security to be provided by Lloyd's members; how the security should be monitored; and possible relaxation in the rules regarding the deposits which Lloyd's members have to lodge with the market on joining the community.

All members joining Lloyd's usually have to show that they have wealth of £100,000 which can be formed by a variety of assets prescribed by Lloyd's. All members also have to accept the principle of unlimited liability, which means that although they share in the profits of the market they are also liable to the full extent of their personal wealth for any insurance losses.

Lloyd's has reviewed whether its market should remain based on the principle of unlimited liability and has concluded that "the concept of unlimited liability of members is of major importance to the perception of Lloyd's security." Because if the possible adverse effects in abandoning the principle of unlimited liability the working party has urged that it should be maintained.

It is recommended that the limits on the maximum amount of business members can accept – at present £600,000 – should be abolished in view of the change in the deposit requirements.

Membership Requirements at Lloyd's: Consultative document: the report of the long term working party. Corporation of Lloyd's.

NCB hopes for union initiative on peace talks

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE NATIONAL Coal Board (NCB) is looking to the National Union of Mineworkers' executive committee meeting a week today to produce a sign that the NUM leadership is now prepared to show more flexibility than at any stage in the past on the issue of the closure of uneconomic pits.

The board is likely to be willing to restart talks again, assuming a clear sign of such flexibility is received. It was emphasised last night that, in his interview last Sunday, Mr Ian MacGregor the NCB chairman had said that he needed only an "indication" from the NUM leadership of willingness to make concessions – not, as he had previously insisted, on written proof.

Mr Ian MacGregor

Both senior board officials and ministers now believe that NUM leaders are under so much pressure from below to restart talks that they will now force Mr Arthur Scargill, the NUM president, to indicate a willingness to soften his stance.

Soundings at area level in the union lend some credence to this belief. In at least three areas – South Wales, the North-east and Yorkshire – all strong supporters of the strike – area leaders have been in touch with churchmen who are suggesting compromise solutions to the impasse, and who have seen, or are about to see, area NCB officials to test the proposals on them.

In effect, the churchmen are acting as unofficial mediators between the area union and the board.

In the north east of England the Bishops of Durham and Newcastle are to meet senior NCB area officials on Monday, after a meeting this week with area NUM leaders and officials of other unions. The bishops will propose a review of prospects for mining in the north east as a way of ending the strike.

Mr Henry Richardson, the Nottinghamshire area general secretary suspended by his executive, yesterday lost his fight to keep his job – but he will remain as area agent.

The NCB claimed a further 348 "new faces" returned to work yesterday, bringing the total this week so far to nearly 2,300.

● British Rail will today take the first steps towards bringing legal action against its two manual unions for damages to its business as a result of strike action scheduled for today in the English Midlands.

The threatened strike is over alleged victimisation of BR staff who have refused to handle coal trains in support of the striking miners.

The National Union of Railwaymen and the drivers' union Aslef decided to proceed with today's action despite earlier hopes that the dispute would be settled.

Rift over coal shipments

BY BRIAN GROOM

TENSION is growing between the National Union of Seamen (NUS) and the Transport and General Workers Union (TGWU) as cracks appear in their attempt to prevent coal shipments reaching power stations in support of the miners.

The first breach occurred before Christmas when Crescent Shipping began carrying coal from Cumbria to Shoreham power station in Sussex, using a TGWU crew.

The TGWU has so far failed to stop its members carrying the coal, but has agreed to try again after talks with Mr Jim Slater, NUS general secretary.

The seamen's own blockade was breached on Monday night when another coal ship sailed from Workington for Shoreham. NUS members voted to sail after the ship's owner, won an injunction against the union's action last week.

Large amounts of coal are being imported into Britain in foreign ships, in spite of the attempted blockade by the NUS.

Pace of jobs growth quickens

BY PHILIP STEPHENS

THE NUMBER of people in work in Britain continued to rise in the third quarter of last year and the pace of employment growth improved after a downturn in the previous three months.

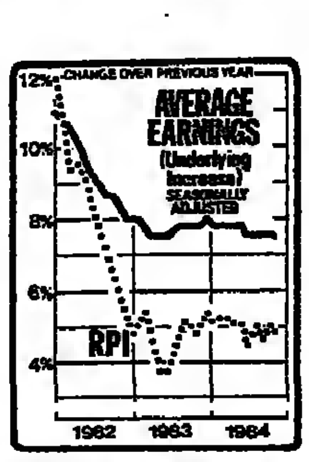
The Department of Employment estimated yesterday that the number of jobs in the economy, including the self-employed and the armed forces, rose by 49,000 in the three months to September, compared to an increase of only 17,000 in the second quarter.

The growth rate was still below the level during the same period of 1983, however, and the department said that the latest figures confirmed a general slowing in the pace of job creation. The increase was also insufficient to halt a parallel rise in the number of registered unemployed, since many of the new jobs were taken by school-leavers or other people not counted in the official register.

As in previous months the additional employment was also heavily concentrated in service industries, while manufacturing industry continued to shed labour. Within the services sector the gains have been mostly in retailing, financial services, distribution and the hotels and catering trade.

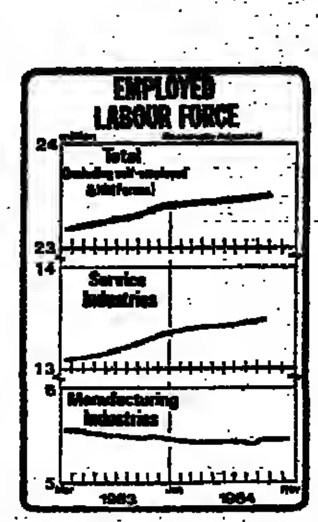
Separate figures from the department yesterday showed that the average earnings of those people in work are still keeping well ahead of inflation.

The underlying rate of average earnings growth in the year to November was 7½ per cent, unchanged from the previous four months. For manufacturing in-



dustry alone the figure was 8½ per cent.

The increases compare with an annual inflation rate over the same period of around 5 per cent, but wage bargainers have shown



little sign of responding to Government exhortations to curb the rate of earnings growth.

Employers to attack unitary tax

By Richard Evans

THE CONFEDERATION of British Industry (CBI), the employers' body, is to launch a campaign to persuade Californian politicians and administrators to change the state's controversial unitary tax system which adversely affects many British companies.

Sir Terence Beckett, CBI director general, is to visit California next month with a team of senior industrialists. The purpose will be to attack unitary tax, pioneered by California and since adopted by about a dozen states, under which subsidiaries of international companies are taxed not just on local earnings but on a proportion of worldwide profits as well.

The CBI believes there is a danger that more states and other countries could follow California's lead, with serious consequences for the stability of long-standing international arrangements to prevent double taxation.

The CBI also decided yesterday to step up its campaign against any attempt by the Chancellor of the Exchequer, in his budget on March 19, to tax occupational pension schemes.

Sir Terence said that none of industry's fears had been ended by recent remarks by the Chancellor. Taxation of pensions would result in a loss of competitiveness in British industry as it would increase wage bills by up to 20 per cent.

London's Dorchester Hotel sold for £40m to Sultan of Brunei

BY ARTHUR SANDLES

THE SULTAN of Brunei, believed to be the world's richest man, has bought one of Britain's most luxurious hotels, the Dorchester on London's Park Lane, for more than £40m.

The hotel is changing hands scarcely six months after its purchase from other Middle Eastern interests by a Hong Kong-U.S. consortium, Regent International Hotels. Under the deal Regent will continue to operate the Dorchester, however.

Regent thus emerges with the London flagship it has been seeking for years and yet makes a capital profit for its mainly U.S. investors. The Sultan gains a large property site, in Mayfair, one of London's most expensive districts, and the knowledge that he owns the hotel within which he has maintained a permanent suite for some time. The Dorchester staff have been given the assurance that although there is a new owner of the building (London's first hotel built in reinforced concrete), the management will remain the same.

The Sultan has been trying to buy the hotel for some months and, according to Regent, recently made an offer which "could not be refused." Not only has he paid more than £40m via his Azim Investment Establishment, but he has also undertaken to continue a £20m refurbishment of the de luxe hotel.

Tha Dorchester is rated as Britain's best hotel by the UK's leading gastronomic guru, Mr Egon Ronay, an accolade which may be echoed by Michelin when its new guide is published next month. Regent and the sultan say they intend to make the property "the world's most luxurious" over the next three years.

The hotel charges from £85 a night for a single room to around £500 for a suite. There are 600 staff for a maximum 420 guests. It was built in 1930 by the McAlpine family, which sold the hotel in 1976 for £10.5m. It was sold again in 1979 for £17m.

Trusthouse Forte (THF), which already owns the Dorchester's rival neighbour, the Grosvenor House Hotel, said yesterday that it intends eventually to acquire the Savoy Hotel group (which owns the Dorchester main rival in the luxury class, the Berkeley) but not at what it calls the current "ridiculous" stock market valuation of £250m.

Mr Rocco Forte, THF's chief executive, said at the annual meeting that there was "no question of us making a bid at that sort of price." He added, however, that THF would sit on its investment.

THF owns 69 per cent of the Savoy's capital but only 42 per cent of the voting rights under the group's share structure.

Men and Matters, Page 22, Lex, Page 24

BL acts to boost car sales

By Arthur Smith

AUSTIN ROVER, BL's volume car company, is putting more money into its dealer incentive campaign in a move to boost its UK market share, which is 15.7 per cent.

The state-owned company told a meeting of main dealers in Birmingham yesterday that sales targets were being reduced for the present incentive scheme – under which bonuses can be earned of up to £200 a car on a Metro car and £350 on a Montego – to give a greater incentive and pull forward sales.

Another initiative, to promote sales of the Montego in the important fleet market where Austin Rover is competing with General Motors' Cavalier and Ford's Sierra, could give the company an immediate percentage point lift in this month's market share.

Tha company is offering dealers the use of up to 1,600 Montegos for demonstration purposes. A take-up of 1,400 would give a 1 per cent share of this month's total registrations, forecast at about 140,000.

The reason given for the reduced targets under the incentive scheme was an expected drop of about 6 per cent in total UK car sales in the first quarter of this year. Austin Rover argued that the recent rise in interest rates would delay purchases, but the market was expected to recover after the budget in March and still achieve a full-year level of about 1.76m.

Poor rely more on state cash benefits

BRITAIN'S POOREST households are relying more and more on state benefits simply to maintain their share of national income, according to a newly published official study.

The study, in the Central Statistical Office's monthly Economic Trends, show that, if taxes and benefits are excluded, the relative income of the poorest 20 per cent of households fell by more than 60 per cent between 1975 and 1983.

The share of national income of this group fell before taxes and benefits from 0.8 per cent in 1975 to only 0.3 per cent in 1983, with most of the drop concentrated in the last two years.

Over the same period, cash and other state benefits rose considerably but served only to keep the final incomes of the poorest 20 per cent constant at just under 7 per cent.

The share of national income of the richest 20 per cent of households, before taxes and benefits, rose from 44 per cent to 48 per cent over the same period.

Most of this increase was redistributed through the tax and benefit system to the poorest households, but the final incomes of the wealthiest group also rose slightly from 38 to 39 per cent.

□ NORTHERN IRELAND's economy still has deep-seated problems in spite of some visible signs that the recession is ending, according to Coopers & Lybrand.

In its annual review, the consultancy firm said the recovery needed to be placed in perspective against the need to regain significant lost ground.

The recent stability in manufacturing employment, it said, had only been attained after a fall of 27 per cent since 1979. A gain of 3 per cent in industrial output in the first nine months of 1984 should be viewed against the drop of 12 per cent since 1979.

□ THE GOVERNMENT confirmed that its increasingly controversial system of local authority expenditure targets and penalties will be dropped as quickly as possible.

Mr Patrick Jenkin, Environment Secretary, told the House of Commons he would like to abandon the system altogether, although the final decision would depend on the level of local authority expenditure during 1985-86.

□ A SET of 13 toy soldiers was sold at auction in London for a world record price of £7,200. The set, made in 1940 and of a Royal Horse Artillery gun team of the First World War, was bought by a collector from Puerto Rico.

□ TWO MEN DIED and two were injured in an explosion on the Glomar Arctic II, a semi-submersible rig in the North Sea. The two who died were both Americans.

Phillips Petroleum, the rig operators, has begun an investigation.

□ TRAFALGAR HOUSE and GEC have emerged as possible purchasers of the Yarrow warship yard on the Upper Clyde, west Scotland, which has been put up for sale by state-owned British Shipbuilders.

□ BRITISH AIRWAYS' computer experts have developed a technique for dealing with ticket frauds which the airline believes will save it many millions of pounds a year. Worldwide, ticket frauds are estimated to cost airlines £140m a year.

Every ticket presented at a BA check-in desk throughout the world will be checked with the airline's London computer. If the ticket has been blacklisted as stolen, or does not appear on the computer, it will not be accepted.

Britain showing 'lack of commitment'

Industry warned on technology

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE UK may fall behind competitor countries in introducing new production technology because of "lack of commitment," according to a report by the National Economic Development Council.

A report from the heavy electrical machinery committee, published today, says that the U.S. and other competitor nations are preparing to make a "quantum leap to new levels of productivity, improved overall performance and to greater market share."

It says: "The question UK industry must ask itself is not just what happens if it does not do the same but, also, what happens if it does it at a slower pace than its competitors?"

The report draws on a study of a number of U.S. companies which are implementing a transition to advanced production methods, known as "programmable automation."

The study found that the corporations were usually prepared to make changes in work practices which one described as "revolutionary."

Programmable automation, the report says, demands that "all of a company's activities become 'systems determined'. Therefore a complete reappraisal of the approach to human resource and organisational management becomes necessary prior to its introduction." It quotes a saying common in U.S. industry: "Automate, emigrate or liquidate."

The study emphasises the expense of automated systems. It says that U.S. companies see the training of staff as the most important element in the preparation for new systems. It comments: "When a company takes a deliberate corporate-wide decision to apply programmable automation systematically to all its products and processes, then an appropriate 'people' strategy is essential."

It notes the comparative weakness of U.S. unions, which organise only 20 per cent of the U.S. workforce as against 50 per cent in the UK. But it says many companies in the U.S. do consult unions, and quotes one as saying that "any company which doesn't consult its unions is crazy."

New Technology: manpower aspects of the management of change; NEDC, Millbank, London SW1P 4QX.

GOVERNMENT FACES HOSTILITY OVER BRUSSELS' CASH DEMAND

EEC 'penalises Britain for honesty'

BY ROBIN PAULEY

TWO WEEKS into 1985, there is already a serious crisis in the Common Market's 1985 budget and the EEC will literally run out of cash in seven to 10 days, Mr Ian Stewart, Economic Secretary to the Treasury, told a House of Commons Committee yesterday.

The EEC Commission in Brussels was, therefore, asking for EEC monies collected in December by member states, which would normally be payable in February, to be handed over early – by next Wednesday at the latest. The Government was "considering" the request.

In addition there is a major outstanding problem over the 1984 budget. Unless Britain pays its agreed £119m supplementary contribution to the EEC almost immediately there will be insufficient funds to pay benefits and subsidies to the people entitled to them, mainly farmers, including those in Britain, Mr Steward said.

"That is why we must act quickly," he told the all-party Commons Treasury and Civil Service Select Committee. Parliament is due to debate the extra £119m payment next week but the hostility from all sides of the committee yesterday indicates that the Government might have a rough time.

"The Commission is a grossly inefficient organisation. We keep feeding bananas to monkeys. All the British Government does is keep coming back and asking us for more bananas. They are a bunch of idiots and the result is that while we are asked to cut £10m off student grants they [the EEC] want another £119m. That is why we and people in Britain are fed up," said Mr Anthony Beaumont-Dark, a Conservative MP.

Mr Stewart said the British Government had agreed to the emergency extra financing for 1984 only on the condition that 1983 repayments due to Britain were handed over and that a new system of EEC budgetary discipline was accepted. Both conditions had now been fulfilled.

Both Mr Terence Higgins, committee chairman, and Mr Richard Wainwright, pushed Mr Stewart to explain why the extra money appeared in supplementary estimates to parliament merely as "supplementary finance" when it was a reimbursable advance.

Mr Stewart agreed that the £119m was an advance that would be repayable in eight half-yearly instalments, without interest, beginning in June 1986. "But I am not sure the House of Commons would have been much the wiser if the words reimbursable advance had been used instead of supplementary finance."

"How could the House fail to be wiser if given something more than the barest statement – supplementary finance," replied Mr Wainwright.

Mr Ralph Howell said the British Government's behaviour was inconsistent. The British agriculture minister, Mr Michael Jopling, was at present refusing to pay money into the EEC super-levy agricultural fund because at least four or five member-states were refusing to accept budgetary discipline. Yet here was Mr Stewart asking for an extra £119m for the same EEC Commission.

"Why on earth are we paying this money now? Why don't we withhold it? Those member states which ignore the discipline are benefiting at the expense of our producers. We should be taking a firm line about this advance."

He was supported by Mr Beaumont-Dark who said anybody running a café in the way the EEC was run would be bankrupt within a few months. He agreed that the British Government had done more than most to try to instil a sense of realism into the Commission and had appointed as a commissioner Lord Cockfield "to rush off like a knight in armour to try to knock sense into a senseless organisation."

But it was hopeless. The British and Germans would go on paying for the dishonesty of the French farmers. States would agree to changes only if it suited them internally. "As long as we are being honest we are the suckers," he said.

Mr Stewart said that under the new arrangements the French were likely to be net contributors to the EEC. "I'd like to see the cheque," retorted Mr Beaumont-Dark.

If the French, Germans and British were all net contributors that would give more force to the new system of budgetary discipline. In addition the new Commission president might be more assiduous over audit procedures than his predecessor, Mr Steward said.

But the new controls were being introduced only in 1985 and would become fully effective in 1986. It was not fair to deny people owed 1984 benefits their money, he added.

"We all accept that folly will reign in the EEC. You'll be back here again next year asking for more, I promise you," Mr Beaumont-Dark said.

TECHNOLOGY

EDITED BY ALAN CANE

RADAR AND SATELLITES CONTRIBUTE TO FASTER FORECASTING

Weathermen ready with 'Nowcasts'

BY WILFRED HARPER

THE "NOWCAST" is here. With the inauguration this week of a fifth weather radar at Chenies, north west of London, the Meteorological Office has completed its basic rainfall detection coverage for England and Wales, making possible high speed, high accuracy short-term weather forecasts.

The other radar systems are based in Cornwall, Wiltshire, Shropshire and Lancashire. Each has a beam width of one or two degrees and a range of about 210 kilometres. Information from all of them combined with satellite data from Meteosat 2, is what makes Nowcasts possible.

These rapid, continuous, highly accurate short-term forecasts could be of value far beyond their cost to farmers, growers, the construction industry, sports promoters and so on.

In a limited way they are already being used by water authorities to gain early warning of flood dangers.

The Meteorological Office makes three kinds of forecast: first, the 24-hour forecast and outlook, free to the public since the Meteorological Office began and likely to remain so.

Second, the two- to five-day forecast, whose accuracy has improved dramatically with the introduction of a dynamic mathematical model integrated with a new Control Data Cyber 205 computer.

Three, the Nowcast, a forecast for up to 12 hours ahead.

This last service along with other new offerings has to pay its way by Government decree.

Little progress in Nowcasting was possible for over 100 years—until, in fact, the advent of radar observations, later supplemented by satellite data. This has been integrated in the "Frontiers" system developed over eight years at the Meteorological Office.

By its nature, a Nowcast is highly perishable and its accuracy diminishes beyond a given time. So the least delay between observation and forecast is the essence of Frontiers.

New equipment has been developed for rapid handling and combining of information in a way that relieves the forecasters of all time-wasting chores.

Within five minutes of their reception, all the radar observations are automatically processed, integrated and presented to the forecaster on a television screen in the form of coloured rain contours on an outline map.

By simple extrapolation, an unrefined Nowcast is available almost immediately.

Radar observations are updated every 15 minutes. Meteosat images (of visible cloud during daylight and of cloud and surface temperatures at all times) arrive every 30 minutes.

The forecaster can manipulate and interact with all the images, call up previous images eliminate spurious information and quickly determine a more refined Nowcast in the form of an image or a set of data.

The Market Services Branch of the Meteorological Office is studying the potential market for Nowcasts including ways of transmitting them to their recipients. Prestel is one option.

Meanwhile, the Frontiers system is being integrated with Central Forecasting Office processes.

Snow in London's Greenwich Park is unusual. The new radar system should give Britain more accurate warning of weather conditions over a 12-hour period. Severn Trent Water Authority uses "Frontiers" display. Data, in this case, is derived from the Clee Hill radar in Shropshire.

BLIND TEST ELECTRONIC PUBLISHING SYSTEM

Newspapers by radio

BY DAVID BROWN IN STOCKHOLM

SWEDEN'S Chalmers Institute of Technology has developed what may be the world's first true electronic newspaper.

The system, which has been successfully tested for several months in Gothenburg, brings an unabridged version of the *daily newspaper to blind* readers.

Most larger newspapers in Sweden are already composed by computer. The Chalmers system, developed by Mr Henryk Rubenstein, uses this technological advantage as the jump*ing-off point. A small com*puter is attached to the newspaper's mainframe, which processes and then sends already-composed text to a public FM radio station. The text is then simply transmitted to user terminals.

In the morning, a complete newspaper text *which has been* automatically stored on a 5 Mbyte Winchester Disk, can be random accessed by blind readers who use a special terminal screen or speech synthesiser.

The *software* converts the newspapers composition codes into commands which allow access by pages, subjects (domestic and international news, culture and sports for example), and specific articles with their headlines and captions.

The four-year development work, financed mainly by the Swedish Board for Technical Development and (to a lesser extent) the Association of the Visually Disabled, cost some SKr 1.2m.

An important drawback is the prohobitive SKr 30,000 cost of individual subscriber stations. These include a personal computer, disk drive and Braile terminal or speech synthesiser. This is due, in part, to the high memory capacity required to store a complete newspaper, and to the heavy taxes on such equipment in Sweden.

Another drawback is that no system has yet been developed to convey photos or other graphic images in a way which can be "read" by blind users.

A number of users have complained of the unnatural sound of synthetic speech, despite the high quality of the machines used. The electronic presentation medium is also clumsy since the terminal screen is smaller than a newspaper page and, of course, can't be carried about on the tube.

Still, the basic availability of a newspaper seems to make up for these faults. Most users appear happy to have the chance to decide for themselves what they want to read and when.

At present, the experimental system is transmitting the Göteborgs Posten, a Gothen*burg-based daily* with *300,000* subscribers. Further work is starting soon in Malmö, and the aim is to begin transmission in Stockholm this spring of the Svenska Dagbladet, one of the main national dailies.

LEEDS COMPANY PUSHES FOR SOPHISTICATED METERS

Computers for electricity meters

BY PETER MARSH

A SMALL company in Leeds is attempting to convince electricity boards of the merits of a new type of meter that records the consumption of power electronically.

Electronic Meters and Systems bases its device on a small computer that monitors continuously the electricity used by a household or industrial building.

It converts readings for amperage and voltage into a figure for power. The computer, programmed with details of tariffs for a particular time of day or night, can use the power figure to obtain a reading for the cost of electricity for a given period.

With the hardware, according to the Leeds company, electricity boards would find it easier to charge householders different prices for electricity consumed at different times of the day. Such mechanisms are required as a result of moves by the electricity industry to persuade people by tariff changes to use more power at off-peak hours, during the night for example.

Chairman of the company is Dr Ashoke Banerjea, a lecturer in Leeds University's electronic engineering department. He says that the devices would be cheaper to make than the electromechanical meters that feature in virtually all Britain's 20m or so homes.

In conventional meters, the flow of electricity turns a light disc. After a set number of revolutions, the disc activates a gear that records a figure for consumption on a mechanical counter.

According to Dr Banerjea, his electronic meters would sell for £60 each in small volumes. So far the company has made only a few of the devices—which has gone to the Department of Energy and regional electricity boards for tests.

By next year, Dr Banerjea thinks he could sell 20,000 meters annually—at which point the price would fall to about £50 each.

The devices would be less easy to tamper with than conventional meters, claims the company. Each year electricity boards lose thousands of pounds as a result of householders changing the readings on their meters—a difficult but possible task with the electromechalical type of device.

According to the Leeds academic, electricity boards around the country will over the next few years need to buy about 250,000 meters annually as part of the moves to introduce new tariff structures.

The electricity industry is also considering several proposals to read meters in people's homes remotely — for instance by connecting individual devices to central computers via the telecommunications systems. With this mechanism, meter readers would no longer need to knock at people's doors to gain access to details of consumption.

But Dr Banerjea argues that to set up such a remote-reading system would be highly expensive.

Electronic Meters and Systems has received investment of about £115,000. Dr Banerjea has supplied some of the cash himself—the rest has come from West Yorkshire County Council pension fund and the Midland Bank.

Conveyors

Drum motors

AN ENCLOSED drum motor for driving small conveyors in heavy duty applications has been launched by Van der Graaf of Bradford.

The drum motor eliminates the need for separate motor, gearbox, drive chain, bearings and all the other components conventionally required to build a conveyor drive.

The motor is of all steel welded construction and features a high starting torque; the gearing is immersed in an oil bath for cool and quiet running.

The company claims that double seals running on hardened steel shafts at each end of the drum prevent the ingress of dust and moisture and eliminate oil leakage.

The motor has an outside diameter of 127mm with a power output of up to 0.75kW and speeds from six to 75 m/min. Drum length can be from 250mm to 750mm.

Materials

Drying coatings

A NEW way of drying sound deadening material painted on the underside of commercial vehicles is claimed to be saving £600 a week in industrial energy costs at Bedford Vehicles Dunstable plant.

The cab shells of commercial vehicles are coated with a sound deadening compound on the underside of the wings and adjacent areas. Conventionally, a gas convection oven was run for 10 hours in each eight hour shift to dry the compound.

The new system, built by Heraeus Silica and Metals, comprises banks of Heraeus infra-red radiators.

The cab shells pass over the radiators and are dried in seconds.

The Heraeus oven runs only 5.5 hours in each shift while automatic controls turn the heat on and off.

THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

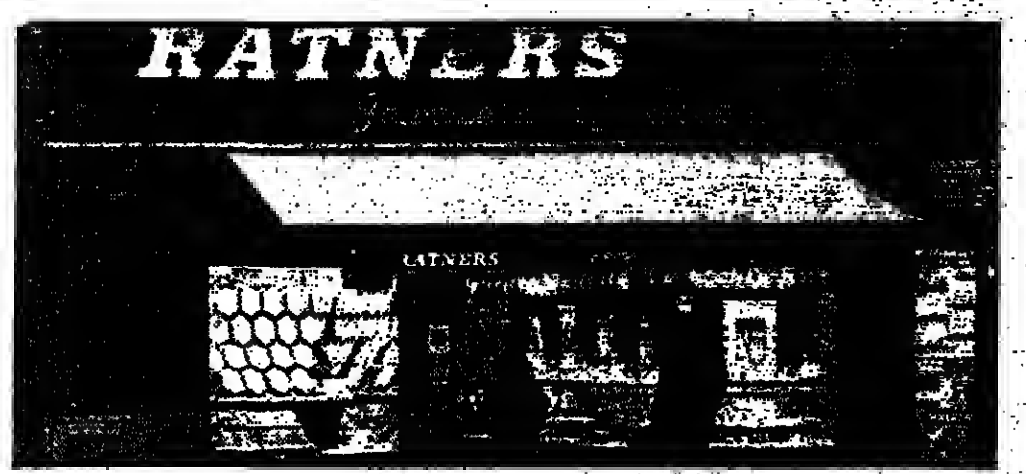
PR: a view from the top

THE public relations industry in the UK has probably never been in ruder health. 1984 is reported by the Public Relations Consultants Association to be the best fo rthe past five years. Yet it is still a comparatively poorly studied business. And companies that are usually never at a loss for words turn curiously coy when it comes to their own vital statistics. The nature of the business, and its competitive edge, ensore that rival groups guard their personal profiles closely and chroniclers find it an enigmatic industry to gauge.

Following our league table analysis of leading advertising agencies (August 2 1984) it is now the turn of 10 of the UK's leading PR agencies (ranked in alphabetical order) to come under the microscope. The reference point is the year 1984; the fee income quoted is strictly PR only and excludes ancillary revenue such as print or advertising commissions.

Feona McEwan

OWNERSHIP	AGENCY (AND START-UP DATE)		EMPLOYEES	1984 PR FEE INCOME	SIX LEADING CLIENTS (ALPHABETICALLY)	HOW THEY SEE THEMSELVES	HOW THEIR COMPETITORS SEE THEM
UK	Charles Barker Group	1812	120	£4m	American Express, Debenhams, Hambros, Pilkington, Plessey, Sharp Electronics	The broadest-based specialist PR competence in the UK	Had troubled two years. Solid all-rounder but not what it was. Old-established, reliable, rather pedestrian. New character still emerging. Bureaucratic tendencies.
U.S.	Burson-Marsteller	1968	120	£2.94m	Cadbury Typhoo, Nestle, Philips Consumer Products, GD Searle, Trusthouse Forte, Van den Berghs	A major supermarket agency. Largest in the business (worldwide) offering across the board international service. Full range of specialised units.	Most outstanding consumer goods agency in town—lacks financial PR strength. Professional. American in discipline, reliable, a little bureaucratic.
U.S.	Carl Byoir	1961	55	£1.5m	British Car Auctions, Gallaher, Grants Whisky, Hewlett Packard, Hughes Aircraft Company, STC	Main watchwords—quality and management. Don't believe clients should pay for inefficiencies. International. Good high tech profile.	Best technical agency around—high tech, low profile. An unknown quantity. Recent management changes have yet to prove themselves. Dependent on U.S. referrals. New link with Welbeck needs clarification. Not feared.
UK	Dewe Rogerson	1969	80	£1.75m	Bowater, Goldman Sachs, Legal & General, National & Provincial Building Society, Woolworth, Trustee Savings Bank	Possibly the largest financial PR consultancy in UK. Broad-based experience of promotional techniques plus in-depth understanding of financial market is our speciality.	Favourite for the number one city agency slot. Setting new challenges in financial PR. Less than full service. Doing very well.
U.S./UK	Daniel J. Edelman	1967	52	£1.5m	Flymo, Gibralter Tourist Office, Kimberly Clark, Silver Spoon, Tobacco Advisory Council, Wimpy International	Offers balance of professional efficiency and creative flair with strategic counselling and execution. Not restricted by influences of ad agency ownership of competitors. Has more services and resources.	Good all-rounder, but why not bigger than it is given the international links? Lacks something. Strong in counselling ability.
UK	Good Relations	1961	154	£4m (estimated)	The Burton Group, Bus and Coach Council, Dun & Bradstreet, Price Waterhouse, G D Searle, Wimpey Homes	Serious.	Public status makes it brand leader but is it feeling consequent pressure to chase profits? An efficient money-making machine. Sound on consumer PR, problems on city and corporate. Not the happiest of ships.
U.S.	Hill & Knowlton	1966	72	£m	Bostik, Halifax Building Society, Kellogg's, Kodak, The Post Office, Texas Instruments	Feels international profile is its strength and where future lies. Raising UK profile a priority as is broadening consumer base into corporate and financial arena.	International, glossy, expensive. Never really made it in London despite being so large worldwide. Can surprise new management change the tide?
UK	Kingsway	1958	53	£1.5m	Apple Computer, British Telecom Cellular Radio, Butter Information Council, Castrol Retail & Industrial Division, UK Provident, United Biscuits Frozen Foods	Stable, upright and honest.	Good consumer consultancy. Gone quiet lately. Still suffers from image of being predominantly a food agency. Highly professional, if traditional, service.
UK	Shandwick Group	1974	91	£3.6m	BTR, Investors in Industry, Institute of Chartered Accountants, Lloyds Bank, United Biscuits, Ernst & Whinney	The only agency with several locations, each run as individual small business—clients thus have access to the top.	Good at winning, less good at holding business. The maverick of the industry, entrepreneurial, ambitious, secretive. Steady flow of staff and clients.
U.S.	Welbeck	1968	82	£1.8m	Distillers Home Trade, Benson & Hedges (Gallaher), Glass Manufacturers' Federation, ICI Paints Division, L'Oreal, Ranks Hovis McDougall	Creative agency with strong reputation in marketing, PR and client list to match. Fast developing corporate business.	Very strong consumer marketeers. Workmanlike but unsexy. Recent changes confusing—who now doing what?



A gem of a strategy

Carla Rapoport explains how Ratners has increased its sales

PEOPLE have long been telling Gerald Ratner that if you don't advertise, you won't have a Christmas. People, according to the 35-year-old managing director of Ratners, have been wrong.

Ratners, Britain's second largest jewellery retailer, has just had its best Christmas since 1980, with sales up by a welcome 15 per cent. For the new managing director, the achievement was particularly sweet—for the first time in 10 years, Ratners didn't spend a pound on promotions or advertising over the crucial Christmas period.

Instead, Ratner instituted a Christmas marketing strategy of an entirely different stripe. Suddenly diamond wedding rings lost their pride of place in the windows of Ratners' 132 High Street shops. In their place appeared a new range of inexpensive jewellery and Christmas gifts, such as pens, lighters and shavers.

"We had to get to the root of our problems," says Ratner, who became managing director last spring after joining the family firm at the age of 17. "No promotional offers or gimmicks could hide the fact that our merchandise was wrongly priced and mixed." Christmas promotional budgeting of between £150,000 and £500,000 annually, he said, was junked, and the new range of low-price jewellery and gift items ordered instead.

Ratner's move was a timely one. Jewellery retailers account for only about 30 per cent of Britain's annual £700m jewellery market. Over the last few years, discount jewellers have stolen a march on traditional retailers by offering rock-bottom prices for jewellery in functional, no-frills shops.

"Ratners has never had chandeliers and velvet pads," says Ratner. "But we found ourselves in a higher price bracket because people started selling jewellery in jeans without the traditional services we offered."

The lessons took a while to sink in. From a peak of £3.4m in pre-tax profits on £23.5m in 1980, pre-tax profits sunk to £1m last year, with trading margins melting to less than 4 per cent. As Gerald Ratner puts it, the company has since found that "people do like to shop where they think they are getting the best value." And since some items, such as gold chains, have now become commodity items, shoppers look only at the price. Tom Wyatt, an analyst at Grieveson Grant, points out: "Walking into a plush jewellery shop doesn't make you think you are getting a bargain."

The new range of jewellery at Ratners has dropped the starting prices; from around £10, a pair of earrings now begin at a sharply competitive £1.40. Gerald Patner has insisted on these "starting price" items for all lines. And now that his Christmas strategy worked so well—the entire 15 per cent growth in sales was due to the new items—he's planning to break through Ratner's £100 wedding ring barrier with a range of rings at £50.

But Ratner has his eye on more than pulling Ratners' traditional business up to scratch. He recently bought Terry's, a 26-shop chain of jewellers in the south of England which sells "day-to-day" jewellery, as he puts it. With the purchase, he recaptured Terry Jordan, Rotner's one-time buyer who left the chain in 1976 to pioneer his concept of popular jewellery retailing.

The traditional Ratners' chain, he says, has hit a growth plateau, with only another 12 towns considered large enough to support a new Ratners shop. Terry's, however, offers the company a new name and merchandising concept to work with. Ratner intends to open 15 new Terry's shops this year and more than 100 new shops over the next three years.

Terry's, which also shuns advertising like the plaugue, is well placed to take on the discount jewellers, according to Ratner, because it doesn't sell low-margin items such as watches and diamond rings. With plans for close to 300 shops within three years, Ratner already envisages the attractive advantages brought by the group's enlarged buying power. As a result, he hopes to regain the group's profits peak of £3.4m in three years.

The change has already attracted the attention of the City. "In the 1970s," says Tom Wyatt, "the multiples were growing because their stock was worth more every year. Now much greater emphasis has to be placed on actual retailing."

Looking ahead, Ratner also wants to encourage a diversification into optical goods and hopes to open a luxury line of jewellery shops to complement Ratners' and Terrys' range. "We should like to be number one in the jewellery business," says Ratner. The current number one, H. Samuel, may well be looking over its shoulder.

JOBS COLUMN

Worsening freeze on supply of key workers

BY MICHAEL DIXON

THE MOST chilling thing of a *snow- and flu-bound start* to the year was a televised comment by an American money-market expert about sterling's sufferings. One of the causes, he said, was that the world now looked on the United Kingdom as a one-product economy — that product being oil.

Nor was the outlook made any less chilling by the latest *forecast from Brian Putt*, head of the Central Services Unit supporting universities' and polytechnics' careers departments, ebout trends in graduate recruitment. For I find it hard to see how this country can regain the world's recognition as a multi-product economy unless we equip ourselves with a workforce able to take full advantage of the commercial possibilities of electronics and other new technologies.

Mr Putt's estimate *is* that while UK demand for recruits with *specialist* knowledge of electronics has risen about 20 per cent since last January, the extra demand will be chasing a diminishing supply of graduates in the relevant areas of study.

Take for instance our universities' output of people with bachelor's degrees in electrical and electronics engineering. The 1984 output was about 2,700, Brian Putt says. Even then, when demand for such specialists was lower, numerous employers were unable to recruit as many as they wished. But this year the *output will be* down *to some* 2,550 and in 1986 down again to about 2,300.

Since the shortages have been visibly looming for years and Government has done nothing effective to correct them, the UK's sole hope of regaining recognition as a multi-product economy may lie in the hands of employers. Perhaps they'd do better *to rely less on recruiting* from higher education, and more on training currently disregarded talents among members of their own staff, if not of the unemployed.

Universities and employment

GRADUATES are also the topic of the table to the right. It is the latest—and unprecedentedly refined—version of this column's ranking of UK universities by what might be called the employability of their new bachelor-level graduates.

I owe the data to Lancaster University's Professor Jim Taylor and Mr Geraint Johnes, who have supplied it even though they are convinced it is unsuitable *for* the *compilation* of a ranking, not least because the information on which the table's figures are based is unaudited and otherwise liable to discrepancies from one university to another.

But the Jobs Column's *counter-argument is* that what happens to the expensively produced new graduates of different universities in the employment market is e matter of legitimate public interest. And since the admittedly suspect in*formation underlying* the *table* is all that can be obtained, we just have to make the best of it.

Professor Taylor and Mr Johnes have done better than I could on my own because they have access to data not available to *mere* taxpayers. *For ex*ample, graduates' employability varies with their subject and also their sex. Previously I have been able to take account only of variations between the sexes and among the five main subject ereas—arts, social studies, science, technology and medicine. But the Lancaster dons have taken account of variations among no fewer than 78 different subjects as well as between men and women.

Moreover, to reduce the risk of *distortion* by *sudden fluctua*tions, they have based their calculations of each university's employability not on a single year's results, but on the annual average taken over a three-year period—1981-83.

The figures refer solely to UK-domiciled new graduates whose destinations were known at the end of the calendar year in which they took their degree and who were evailable for employment. A certain percentage of them ended the year either "believed unemployed" or with at best a short-term job, and it is that percentage which is designated in the table as "unemployment."

The first column of figures gives each university's "expected unemployment." That is what its score would have been if its new greduates in its different areas of study hed conformed to the national average unemployment rate for their particular subject and sex from *1981* to *1983*.

Next comes a column giving the actual unemployment rate for each university as an annual average over the three-yeer period. The last column shows by how many percentage points the *actual score of each* of *the* institutions was either better or worse than its expected figure.

The results contain several surprises. Durham beating Cambridge and Oxford is one. Another is that only five of the newer technological universities emerge with a positive score. They are Brunel, Aston, City, Strathclyde and Salford. The *other six — Loughborough* and Bath (which alone among the technological foundations received reasonably favourable treatment in the University Grants Committee's cutbacks in 1981) and Dundee, Heriot-Watt, *Bradford* end *Surrey* achieved either no better or worse than the expected standerd.

Univerity	Expected "*unemployment*" (%)	Actual "*unemployment*" (%)	% points by which *actual better* (+) *or* worse (−) than expected
Durham	18.2	10.7	+7.5
Cambridge	14.9	7.9	+7.0
Oxford	16.8	10.0	+6.8
Brunel	13.3	8.7	+4.6
Southampton	13.1	9.5	+3.6
Newcastle	14.6	11.1	+3.5
York	19.9	16.7	+3.2
Glasgow	14.2	11.3	+2.9
Birmingham	13.1	10.4	+2.7
Reading	17.4	14.7	+2.7
Aston	11.4	9.4	+2.0
Leicester	16.3	14.3	+2.0
Warwick	15.6	14.3	+1.3
Exeter	15.8	14.8	+1.0
City	11.3	10.6	+0.7
Strathclyde	12.6	12.1	+0.5
Aberdeen	14.4	14.0	+0.4
Salford	14.5	14.2	+0.3
St Andrews	17.2	16.9	+0.3
Essex	18.6	18.5	+0.1
Loughborough	14.4	14.4	same
Queen's Belfast	13.2	13.2	same
East Anglia	19.5	20.2	−0.7
Kent	16.9	17.6	−0.7
Bristol	14.5	15.3	−0.8
Bath	12.2	13.2	−1.0
Dundee	9.8	10.9	−1.1
Edinburgh	14.5	15.6	−1.1
Sussex	19.9	21.5	−1.6
Heriot-Watt	10.3	12.1	−1.8
Liverpool	14.5	16.3	−1.8
Manchester	12.9	15.0	−2.1
Keele	20.1	22.5	−2.4
Lancaster	19.2	21.6	−2.4
Sheffield	15.3	18.0	−2.7
Bradford	13.9	16.8	−2.9
Nottingham	14.6	17.5	−2.9
Wales	16.1	19.1	−3.0
Leeds	15.8	19.8	−4.0
London	12.7	16.7	−4.0
Surrey	12.7	16.8	−4.1
Stirling	18.2	22.5	−4.3
Hull	18.3	24.6	−6.3

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Much of the Controller's day to day involvement will be in advising contracts managers on the financial status of current projects and on the opportunities and risks involved in any bid situation.

Since the Company's business has an international dimension, experience of managing foreign exchange accounts would be a distinct advantage.

The man or woman my Client appoints will be a qualified Accountant who has at least ten years' experience, including five in a senior financial management role, preferably in an organisation which has a similar profile and activities. Experience with a company that is a significant international trader would obviously be useful.

In the short term, the job offers the tangible excitement of joining a management team whose other members are equally new, and of working with them to get the Company into top gear. In the slightly longer term, the prospects of career development into the most senior roles is very real indeed.

Please send a copy of your c.v. to John Faith at Austin Knight Selection, London W1A 1DS, quoting reference 52/JF/85 or telephone 01-437 9261 for a Personal History Form.

Austin Knight Selection

Hambros Bank
Funds Management Division

Sales Executive

Unit trusts, pension funds,
institutional and private client products
City/West End

This is an opportunity for an experienced and well connected investment fund sales specialist to join one of the City's leading institutions.

As e member of the small, highly professional marketing team of the Funds Management Division you will be backed by full technical and product development facilities. You will attract private, institutional and corporate investors to a range of established Funds through the Division's existing supporters and your own contacts. Above all you will make e personal contribution to the considerable growth in managed funds which the Bank anticipates.

A substantial salary, commission and benefits package is for discussion. The position also provides opportunities for Divisional Board responsibility and considerable potential for personal career development.

For further information please contact – in confidence – Alan Forrest. B.73700.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
50 Queen Square, Bristol BS1 4LW
Tel: Bristol (0272) 276617

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

Economic Forecasters for Corporate Planning

Experienced Economists are required to carry out macro-economic forecasting over the short and medium term, focusing on exchange and interest rate movements in the principal currencies. They will also be involved more formally in the analysis of corporate strategic issues.

Candidates, ideally in their late 20's or early 30's, will probably have a post-graduate qualification and/or experience in the appropriate area. A relevant and successful track record is essential.

Starting salary will be fully competitive. Other benefits are excellent and include non-contributory pension, London Allowance and assistance with relocation expenses, where appropriate.

Please write or telephone for an application form, quoting ref. B.203, to:

Susan Skolar, Recruitment and Placement Branch,
The British Petroleum Company p.l.c.,
Britannic House, Moor Lane, London EC2Y 9BU.
Tel: 01-920 3484.

BP is an equal opportunity employer.

BP

The British Petroleum Company p.l.c.

Major City Group

Company Taxation Manager

Our Client is a major and respected City institution in the Financial Services industry. The Group is one of the largest Unit Trust Managers and include Pensions, Life Assurance, International and Banking in their activities.

They seek a Tax Specialist whose responsibilities will include Group Tax Planning, preparation, submission and agreement of all tax computations for the company and subsidiaries, corporation tax, offshore matters, VAT, Staff Tax etc. Tax planning is of particular importance as almost all decisions taken have an implication for the Group or for its customers. Candidates should, therefore, have the personality to deal at senior levels within the Group and also with the Inland Revenue.

The person sought will be aged 27/35 – perhaps older, and a Chartered Accountant who has worked in the Tax Department of a major Accountancy Practice. Knowledge of Life Assurance and/or International Tax would be an advantage.

Initial remuneration will be at around £25,000 plus a car and other benefits. Location will be in the City of London but some travel can be expected.

Please write in confidence to Colin Barry, quoting ref. 607 and enclosing a full and detailed CV, at Overton Shirley and Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

The Canada Life Assurance Company, with world-wide assets exceeding £2,000 million has, as a result of expansion and increased activity within the Investment Department, created the following challenging new opportunities:

Assistant Fund Manager

You will work closely with the Investment Manager, Unitised Funds, and help in the running and performance monitoring of our substantial unitised equity funds. This will involve specific research and accounting activities and is an excellent opportunity to develop your skills and influence the performance of the equity portfolio.

You should be a highly numerate graduate, preferably with around 2 years' fund management and analysis experience of UK or overseas equities.

Communications Assistant

investment analysis data
...graduate with stock market investment experience

Communications is an important and developing activity within the Investment Department. In this particular position you will work with the Investment Manager, Securities, and assist in the preparation of investment analysis data and internal information reports.

Initiative and the ability to assimilate and communicate complex investment information in a clear and creative manner is essential. Experience of using microprocessors or word processors would be an advantage.

Both positions offer the prospect of gaining full fund management experience and the opportunity to make an immediate and positive contribution to our business success.

We offer a competitive salary, dependent on ability and experience, and the benefits are those expected of a major financial organisation.

Please write, in the first instance with full CV, to Martin Collett, Personnel Manager, Canada Life Assurance Company, High Street, Potters Bar, Herts. EN6 6BA.

Canada Life
Securing the future since 1847

UK Treasury Manager

West of London — to £17,500

Our client is a UK manufacturing company with a substantial international presence. They currently require a high calibre executive to join the management of their small but significant treasury team.

Reporting to the Assistant Group Treasurer and responsible for the UK borrowing/deposit portfolio on a daily basis, the successful candidate will execute all internal and external foreign exchange transactions and assist in negotiating trade finance and leasing arrangements as requested.

Applicants, possibly from banking/economic backgrounds, will have a thorough knowledge of foreign exchange and money markets. Considerable exposure to senior management will necessitate strong communicative skills, flexibility and a mature outlook. Age indicator: 24-30.

A desire to become involved in the wider aspects of the business will be rewarded in both terms of career fulfilment and remuneration.

Candidates should write to Philip Cartwright ACMA, Executive Division, enclosing e comprehensive curriculum vitae, quoting ref: 199, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Investment Fund Management

£20,000 to £30,000

Major city investors, including Merchant and International Banks, seek Fund Managers with experience and expertise sufficient to control portfolios of between £50M and £500M.

Candidates will have experience of investing these funds in any of the major bourses including, of course, the London Stock Exchange and those in Europe, North America and the Pacific Basin.

The salary level offered will be commensurate with experience but will be highly competitive and will include the full range of benefits.

Please contact Peter Latham or Roger Steare.
Telephone 01-623 1266
Jonathan Wren & Co Ltd, 170 Bishopsgate, London EC2M 4LX

Jonathan Wren
RECRUITMENT CONSULTANTS

Operations Audit Management
Make your mark with an international group engaged in major expansion
c.£20,000 + car + benefits

Wiggins Teape is recognised internationally as a leader in the manufacture and marketing of high technology papers, distributed through a wide trading network. Part of B.A.T Industries, we enjoy an annual turnover of around £800 million, and, following re-shaping of the business, are experiencing organic growth and anticipate enhancement of this through acquisition and advanced technology.

We now wish to recruit a small number of high level professionals to lead a wide range of special and regular studies using the resources of our highly proficient, multi-disciplinary audit team.

Aged around 30, the individuals we are seeking must be graduates, with first-class experience, though not necessarily as chartered accountants. You will be keen to build on an already impressive track record and be ready for the scope and responsibility of shaping our audit procedures in line with our expansion. The high visibility of the audit function ensures that prospects for promotion are excellent.

DP AUDIT MANAGER

We are looking for an individual whose experience of medium and large mainframe environments extends to EDP operations and the development of financial, manufacturing or commercial systems. You will conduct reviews and effect improvements to application systems, development methodology, EDP plans, hardware and communications configurations and all data centre operations and standards. Formal accountancy qualifications, though desirable, are less important than a first-class understanding of data processing.

EUROPEAN AUDIT MANAGER

For a graduate chartered accountant, with 'big 8' experience and ideally fluent in French, this role offers enormous personal scope, effecting business controls across manufacturing, merchanting, printing and distribution activities within Europe.

OPERATIONS AUDIT MANAGER

Experience gained in the audit of operating systems or in swift career progression through marketing, production or engineering (preferably with post-graduate qualifications), is essential for this position. The role entails reviewing and implementing procedures across functional boundaries within the UK and continental Europe to ensure their effectiveness. Communication skills are of key importance and you will need strong analytical abilities to supply succinct solutions to business problems and to manage the broad range of commercial responsibilities inherent in the job.

FINANCIAL SYSTEMS AUDIT MANAGER

You must be a graduate chartered accountant with large company audit experience for this position, which is key to the management of Wiggins Teape's UK operations. Commercial motivation and technical expertise will combine to give you a strategic influence over the growth of the company.

Based in prestigious, purpose-built new offices in Basingstoke, you will receive a highly competitive remuneration package, with benefits that include a non-contributory pension scheme, BUPA, share-option scheme, five week's annual holiday, relocation assistance, executive car and a salary negotiable around £20,000.

Please write, giving full personal and career details to Mr R J Kendal, Group Recruitment Manager,

The Wiggins Teape Group Limited, PO Box 88, Gateway House, Basingstoke, Hampshire RG21 2EE. Tel: Basingstoke (0256) 20262.

WIGGINS TEAPE

Pensions Solicitor

A large City firm requires a Solicitor with substantial admitted experience in the field of pensions.

The position is a senior one carrying immediate departmental responsibility with possibility of partnership in due course for the successful applicant.

Applications in writing with full CV should be sent in confidence to:
Mr M H Charteris-Black, 14 Dominion Street, London EC2M 2RJ.

SIMMONS & SIMMONS

MANAGEMENT EXPERIENCE IN HIGH TECHNOLOGY

MANAGING DIRECTOR

The Company is based in the South of England, manufacturing and selling electronics-based products to major industrial/commercial companies/institutions. Rapid expansion is forecast to continue, particularly given the extensive product range and the need to solve customers' problems in industrial and commercial telecontrol.

Reporting to the Group Chairman the successful candidate will ideally be between 35 to 45 and must have management experience in fast expanding companies, probably in a marketing or general management role. A technical qualification is preferred (at degree level) but proven personal success in management would more than compensate. Salary and conditions are negotiable but it is unlikely that anyone currently earning less than £22,000 will have sufficient experience.

Applicants based in the South of England should write enclosing a comprehensive curriculum vitae to:

innotech Innotech Group Limited, 28 Buckingham Gate, London SW1E 6LD

Information Systems Manager

City c.£25,000 + car

The Client: A major division of a leading British organisation, operating in telecommunications and computing, and generating in its own right a £1½ Billion turnover; very much in expansive mode.

The Position: Key facets will be the evaluation of existing systems, the subsequent formulation of proposals for modification and substantive change and the establishment of efficient project management standards. Although projects will cover a wide spectrum of applications, there will be particular emphasis on financial systems.

The Candidates: must have experience of systems implementation from a managerial perspective. A background in management consultancy, accountancy or systems analysis would be particularly relevant: the requirement being for a strategist rather than 'D.P. technician'. A graduate-level intellect is essential.

Applications, please, quoting ref. 135/1/FT, to: Charles Barker Management Selection International Ltd., 30 Farringdon Street, London EC4A 4EA. Telephone 01-634 1142.

CHARLES BARKER
SELECTION · SEARCH · ADVERTISING

Trainee Investment Officer

Sc3/SO2 **£5640 – £10539 p.a. (award pending)**

The County Treasurer's Department has a small in-house team managing the County Council's Superannuation Fund. The value of the Fund is approximately £450 million with direct investments in gilts, other fixed interest securities, equities, foreign securities and property.

This is an opportunity to gain broad first hand experience in the management of a highly diversified pension fund and provides an excellent basis for further career advancement in this field. You will be involved in all aspects of fund management, including investment analysis, visits to companies, adminstration and monitoring portfolio performance.

A graduate and/or professionally qualified, you will be numerate and have a keen interest in and awareness of economic and financial affairs. Highly motivated, you must be willing to take on early responsibility.

Assistance and encouragement will be given to complete the examination of Society of Investment Analysts and/or the Stock Exchange.

Application forms from The Chief Executive (Personnel), SYCC, County Hall, Barnsley, S70 2TN. Tel: Barnsley 286141 ext 266 quoting post reference T224. Closing date 31st January 1985.

South Yorkshire County Council is an Equal Opportunities Employer

South Yorkshire County Council

NEW ISSUES Documentation

City based
£11-15,000

Nomura International is a leading international investment house and a major force in the Eurobond markets. Continuing growth in this sector has created an opportunity for an enthusiastic young graduate to join our New Issues Documentation Department.

As a key member of a highly motivated team, you will receive excellent exposure to all aspects of structuring, negotiating and the execution of new issue contracts.

Bright, hardworking and in your mid 20's, you will have had some work experience, possibly with a legal bias. The ability to pay close attention to detail will be vital.

For the right candidate, this position will present opportunities for career advancement and diversification in other areas of this expanding organisation.

Those interested should write to Michael Brookes, Associate Director Personnel, Nomura International Ltd., 3 Gracechurch Street, London EC3V 0AD.

NOMURA

Foreign Exchange and Money Market Dealers.

EXFINCO, established under the auspices of The British Export Finance Advisory Council with substantial backing from major shareholders offers opportunities for experienced corporate Foreign Exchange and Money Market dealers to join this exciting new venture. Dealers recruited will join a team reporting to the Treasury Director.

Candidates will have worked in a major corporate dealing room for at least two years, be self-motivated, ambitious and possess good communication skills. The likely age range is 25-35.

Successful candidates will be based at the company headquarters in Swindon, Wiltshire, and will enjoy excellent prospects with generous salaries related to the experience and potential demonstrated by each individual. There is a non-contributory pension scheme together with other benefits.

Applications enclosing a detailed C.V. will be treated in the strictest confidence and should be addressed to Mr. J.W. Adams, Company Secretary, The Export Finance Company Limited, Exfinco House, Sanford Street, Swindon, Wiltshire SN1 1QQ.

THE EXPORT FINANCE COMPANY LIMITED,
EXFINCO

Corporate Finance

Chancery Corporate Services is seeking young professionals who will play a key role in our expanding activities. We specialise in corporate tax planning; all aspects of equipment leasing; the sale of leasing businesses; negotiating loans; and the sponsorship of BES companies. We anticipate starting USM sponsorship and other new areas.

The work will apeal to people already in merchant banking and related circles who wish to move into a less restricted environment where they can have a major impact.

Alternatively, young professionals wishing to move into the financial services sector would be suitable.

Chancery Corporate Services is owned by Chancery Securities PLC, a licensed deposit taking institution and licensed dealer in securities.

An attractive remuneration package is available with a strong emphasis on your own contribution.

Please write, enclosing your cv, to:

John Dodwell
CHANCERY CORPORATE SERVICES
12 Northington Street, London WC1N 2NW
Telephone: 01-242 2563

Panmure Gordon & Co.

INSTITUTIONAL GILT SALES

We are seeking a senior Institutional Sales executive for our Gilt Edged Department. The successful candidate will be thoroughly experienced in this area, and will need to demonstrate a wide range of institutional contacts. This is a high level appointment in an independent stockbroking organisation and the remuneration package will reflect the importance of the appointment.

Please write with brief curriculum vitae to:
R. M. S. Parsons
9, Moorfields Highwalk, London EC2Y ODS

MONEY BROKERS

Sterling Brokers Ltd., & Cipfa Sterling (formally the Loans Bureau)

Due to a current programme of expansion, we require the following experienced broking staff:—

One Senior Local Authority Broker
One Commercial/Building Society Broker
Two Senior Interbank Brokers

Please write or telephone in the strictest confidence to:—
Miss Justine Martin
STERLING BROKERS LIMITED
65 London Wall, London EC2M 5TU
Tel: 01-628 4537

CREDIT MANAGEMENT

Rouse Woodstock Limited, a member of the Mercantile House Holdings plc group, seeks a Deputy Credit Controller.

The successful applicant will be responsible for appraisal and processing of client trading facilities with particular emphasis on determination and evaluation of risk exposure. Accountancy or banking background, with knowledge of bullion, currencies and futures markets, is desirable. Terms are negotiable to attract high calibre applicants.

Please apply to:

Rouse Woodstock Limited
International House, 1 St. Katharine's Way, London E1 9UN.

COMPANY SECRETARY

Surrey **circa £15,000**

- Our client, a major industrial organisation involved in the packaging industry, wishes to appoint an experienced Company Secretary to be based in pleasant offices in Surrey.
- This is a new appointment, and reporting to the Financial Director, responsibility will be for a wide range of secretarial duties in a highly computerised and modern office technology environment.
- Applicants should be at least 40 years of age and possess membership of the I.C.S.A. Excellent conditions of employment will be offered to the successful candidate.

Reply in strictest confidence to Mr G. F. J. Betteridge at the address below, enclosing comprehensive career details to date

Gordon F. J. Betteridge Ltd.
EXECUTIVE SEARCH CONSULTANTS
HEXAGON HOUSE, SURBITON HILL ROAD, SURBITON, SURREY KT6 4TZ
TELEPHONE : 01-399 9924

BUSINESS DEVELOPMENT

Trade Finance: Accounts Receivable and Commercial Loan Financing

FACTORS TRUST

Factors Trust's philosophy is to invest in successful business organisations by financing current assets. Already known as a leader in our market, our consistent growth stems from an irrevocable committment to maintain the highest standards of professionalism.

As part of our planned development we are seeking to appoint suitably experienced and successful individuals to identify, negotiate and conclude new business investments.

Candidates should be able to evidence absolute integrity, intellectual agility and refined numerate and literate skills. Of graduate calibre and probably with an accounting or legal discipline, appointees will have a mature approach and be prepared to travel extensively within the U.K. as members of a small but dedicated business development group.

Factors Trust can offer a stimulating and rewarding career and operates from attractive offices in Bristol. Remuneration is negotiable and benefits include a car, mortgage subsidy and contributory pension scheme.

Applications in own handwriting please detailing full personal and career history in confidence to Nigel Coxwell Crosse, Factors Trust Ltd., 61, Queen Charlotte Street, Bristol BS1 4HQ.

International Financial Management

Electronic capital equipment
South of England
Substantial negotiable salary + excellent benefits

In the last seven years, the financial performance of this major international company, which has established itself as the market leader in its field, has been impressive by any standards.

It has achieved:

- An outstanding rate of growth
- Outstanding profit performance
- Cash flow currently in excess of £10m per month

An exceptionally talented and experienced financial professional is now sought to take charge of corporate *fund management, borrowing and finance requirements*, and credit management. Treasury activities, credit control on some 500 international accounts, *and* the supervision of foreign exchange matters are all integral parts of a job where the responsibility is both broad and challenging.

Candidates, ideally aged mid-30s to early 40s, should have experience in all these functions . . . probably gained in an international banking or fund management position, or in a *financial management role within an international organisation.* They should have well developed risk management skills, a good degree, and they may well be members of an appropriate professional/financial institution.

The negotiable salary is supported by appropriate executive benefits including fully expensed car and *family medical cover.*

Please send cv, including current salary, or telephone or write for an application form to Stephen Newman, Ref: SS73/0346/FT.

PA

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SWIX 7LE.
Telephone: 01-235 6060 ext. 239.

Commercial Manager

The UK Standard Products Division of AEG-TELEFUNKEN makes a substantial *annual contribution to British industry through the provision of a broad range of* advanced, high quality components in such areas as electronics, fractional hp motors, lighting systems and power tools.

It is from this sound base that the Division's new Commercial Manager will be expected to build and improve. A newly created appointment, reporting to the Divisional Director, it carries total responsibility for financial budgeting, sales planning and cost control in addition to a specific brief to maximise efficiency, develop procedures and co-ordinate overall marketing policies and terms of sale. A further critical area being to generally extend the use of the computer through the Division.

It is a highly complex and challenging management task - but one we feel you will be *ideally equipped to tackle if your career includes at least 4 years' post-graduate* experience in a commercial management environment with a major organisation, your discipline being either Accountancy or Business Studies. As there will be close liaison with our German parent company, it is essential that you are fluent in the language.

In return for your expertise and high level of commitment to our future development, we offer an excellent salary, performance bonus, company car, BUPA, permanent health insurance and the full range of benefits you would expect from one of the world's most highly respected engineering organisations. The prospects for further professional growth will be equally attractive.

Please phone for an application form or send a full cv, including present salary, to:
Mrs. E.M. McClure, Personnel Manager, AEG-TELEFUNKEN (UK) Ltd, 217 Bath Road, Slough, Berks. Tel: Slough 872350.

AEG-TELEFUNKEN

MERCHANT BANKING

A challenging opportunity has arisen for a keen and intelligent person to join our successful and expanding corporate finance department.

The corporate finance department is involved in *acquisitions*, mergers, *raising of capital* and *general* financial advice. Our customers are the leading public and private companies. A considerable amount of the executive's time will be spent in investigatory work, legal documentation and financial analysis.

Ideally, candidates will be in the 23-28 age group. They will have an honours degree, a legal or accountancy qualification, with a minimum of 2 years post-graduate experience, preferably in a financial or legal environment.

The ability to work as part of a team with a minimum of supervision will be essential. Strong emphasis is placed on an individual's capacity to make mature business judgements and express them articulately. A highly competitive remuneration package, which will reflect the importance of the position is envisaged.

Please write and include a detailed curriculum vitae to:—

Mr F. J. Healy
Associate Director—Personnel
The Investment Bank of Ireland Limited
26 Fitzwilliam Place,
Dublin 2.

International Portfolio Management

SALARY c.£23,000 per annum,
plus excellent benefits

Our client is a prestigious international Merchant Bank which provides a comprehensive range of financial services to selected clients of a sovereign, corporate and high net worth individual nature throughout the world. Due to the significant growth of funds under management during 1984 an additional executive is required to join the existing portfolio fund management team.

You should be aged 26-32 years old, possess a good academic record, and should have gained a sound understanding of the International *Capital* and *Treasury* markets during your career to date which should include substantial experience in International fixed rate securities and equities.

You will be required to enhance further the growth and development of this expanding sector of the Bank's financial products by regular contact with existing and potential clients, *many of whom* are identified *through* the Bank's other successful financial products.

This is a first class opportunity to take an active role within a dynamic environment, leading to senior executive status.

DAVID GROVE *PARTNERSHIP*

Please reply to David Grove, Consultant to the Bank at: 170 Bishopsgate, London EC2 Tel: 01-626 7927

International Banking Recruitment Consultants

Jonathan Wren International is the specialist overseas appointments arm of the Jonathan Wren Group, the acknowledged market leader in the field of banking recruitment. Our clients rank among the top US, European and Arab banking institutions for whom we recruit middle and senior executives. As a result of continued demand for our services and planned growth, we now seek to appoint two additional consultants to join our highly successful team.

Ideally aged between 30 and 40, candidates should be self-motivated individuals with sound marketing abilities and good communicative and interpersonal skills and should possess a minimum of five years' banking or relevant consultancy experience.

One consultant will be appointed to the European Division and candidates for this post should be totally fluent in German, ideally with a knowledge of other European languages. The second consultant will initially be assigned to the Middle Eastern Division.

These positions represent challenging opportunities to join an expanding and professional consultancy and offer a high level of job satisfaction, excellent prospects and overseas travel.

Remuneration is a combination of competitive base salary and performance related bonus.

Please telephone or send a Curriculum Vitae to **Roy Webb, Managing Director, Jonathan Wren International Ltd., 170 Bishopsgate, London EC2M 4LX,** tel: 01-623 1266, telex: 8954673 WRENCO.

Jonathan Wren International Ltd
Banking Consultants

International Factors Limited

DEPUTY CREDIT MANAGER

RANGE £10,668-£16,020

International Factors Ltd., part of tha Lloyds Bank Group, and one of the foramost Factoring Companies in the U.K., is saeking a Deputy Credit Manager for it's Brighton Head Office. This is a new position created by growth.

Tha Cradit Dapartment is responsibla for procassing and undarwriting a turnover of £400 million rising, in a wide range of Industres.

Responsibilitles involva laadng a team of underwrters, controlling and monitoring bad debt losses and providing a swift and efficient service to clients.

You will have had savarsl years' experience in the analysis of financial accounts and all aspects of credit information.

You should be positive and decisive in your approach, probably in your thirtias and with a relevant qualification.

The successful candidate will be joining and contributing to a positiva professional managament team. Tha usual fringe benefits from a major financial Group will apply.

Telephone for an application form or write with full cv to:

Prue Heron, Personnel Manager,
INTERNATIONAL FACTORS LTD.,
Sovereign House, Queens Road, Brighton BN1 3WZ.
Tel: Brighton (0273) 21211. Ext. 231

JAMES CAPEL & CO
SETTLEMENT STAFF

Due to further expansion of our international business, we have vacancies for experienced Settlement staff in the following areas:

Traded Options
Eurobonds
Client Accounts

Salaries according to age and experience, plus usual fringe benefits including annual bonus.

If you think you might be interested, please write in confidence with details of career to date to:

D. Schulten
Personnel Manager
James Capel & Co.
Winchester House,
100 Old Broad Street,
London, EC2N 1BQ.

SENIOR LENDING OFFICER

THE CITY

The London Branch of a leading European Bank is seeking an experienced and dynamic Loans Officer to join its busy marketing team in developing the Branch's loan portfolio.

Reporting to the Senior Manager of the Loans Department, the successful candidate will be aged about 35, preferably with a university degree and/or AIB qualifications. He/she should have a minimum of 12 years' banking experience of which 8/10 years spent in lending-related activities, including 5 years' client marketing contact.

The position calls for expertise in all types of commercial short/long term lending to medium/large companies and multi-nationals with in-depth experience of trade finance and good knowledge of syndicated loans.

Sound risk assessment is essential.

An attractive remunerative package, together with usual banking benefits will be offered to the successful candidate.

Applicants should apply in writing to Mrs. N. le Couteur, Secretary to the General Manager, c/o Box A8850, Financial Times, 10 Cannon Street London EC4P 4BY, enclosing a detailed curriculum vitae

GENERAL MANAGER

REQUIRED BY INTERNATIONAL GROUP TO HEAD THEIR NEWLY FORMED COMPANY WITH ESTABLISHED OFFICES IN THE LONDON AREA, DEALING IN TELECOMMUNICATIONS SYSTEMS

AGE: 35/45

EXPERIENCE:

At least 5 years at senior level in sales and marketing of telephone products and equipment, with intimate knowledge of the UK market and experiance in dealing with clients. Tha Manager will also be expected to supervise tha administration of personnel

Excellent future prospects for the right person

Salary negotiabla, with bonus related to performance

Please write (and not phone) with cv to:

CH. HAUSMANN & CO

42 Manchester Street, London WIM SPE

Top Executives

earning over £20,000 a year

Can you afford to waste nearly £2,000 a month in delay? Minster Executive specialises in solving the career problems of top executives. The Minster programme, tailored to your individual needs and managed by two or more partners, is your most effective route to those better offers, 75% of which are never advertised.

Our clients have an impressive record of success; many blue chip companies retain our services in the redeployment of their top people.

Telephone or write for a preliminary discussion without obligation—or cost.

MINSTER EXECUTIVE LTD
28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309 / 1085

LEADING FUTURES BROKER

REQUIRES A

TECHNICAL ANALYST

TO JOIN AN EXPANDING RESEARCH DEPARTMENT

The successful candidate will be in their mid 20s and will have at least two years' experience in a futures, stockbroking or similar environment.

Salary negotiable depending on qualifications and experience.

Please reply in strict confidence, enclosing a Curriculum Vitae, to:

Box A8867, Financial Times
10 Cannon Street, London EC4P 4BY

Financial Public Relations

Streets Financial provides financial *public relations consultancy* to more than 120 British and overseas companies, which range from large international corporations and financial institutions to smaller, highly specialised companies. It is also frequently called in for specialist advice on new issues and in contested bids.

Opportunities now exist for additional executives on our consultancy team which *already includes people qualified in* accountancy, the law and chartered surveying and others with experience in fund management, stockbroking and financial journalism.

An existing knowledge of public *relations techniques* is not essential, but you must be able to demonstrate a proven track record in your specialist field; a knowledge of how the City works; self-confidence and a liking for people; and the *ability* to think and work fast under pressure.

In comparison with other City disciplines, financial public relations is still in its youth. However, it is on a strong *growth tack so opportunities for higher job* satisfaction, increased responsibilities and early promotion are greater. The rewards are fully in line with the responsibilities held.

Streets Financial

Please write in strictest confidence to John Cameron, as adviser to the company, at Chetwynd Streets Management Selection Limited, 10 Bolt Court, London EC4 (telephone 01-583 3911), quoting ref. C302.

Gilts/Equities Specialists
The Big Bang – where will you be?

Scrimgeour Kemp-Gee, Vickers da Costa and Citicorp are combining their expertise to create a new financial services organisation trading in the major securities markets.

We will be uniquely placed to develop market-making capabilities in equities, bulldogs, and gilts, including position taking in these markets.

For fixed interest and equity specialists experienced in market-making, trading or positioning this enterprise represents an ideal opportunity to benefit fully from the radical changes currently taking place in the London market.

If you want to be in right at the beginning of this new and exciting venture and have the business flair and imagination to succeed please write, enclosing full c.v. to:
Morley West, Executive Director,
Citicorp International Bank Ltd., 335 Strand, London WC2R 1LS.

CITICORP–SCRIMGEOUR–VICKERS

Chief Financial Executive
NAIROBI

Our subsidiary company in Kenya is engaged in marketing, distributing and manufacturing pharmaceuticals and toiletties.

We wish to appoint an experienced qualified professional accountant to be based in Nairobi, responsible for all Corporate financial and accounting activities in Kenya – reporting directly to the local Chief Executive.

Overseas experience would be helpful, but is not essential. A background in a large consumer goods company with overseas subsidiaries would be particularly relevant. The appointment requires a thorough grounding in UK professional knowledge and practice and an ability to adjust this to foreign commercial, accounting, legal and fiscal situations.

The terms and conditions of employment will be very attractive. A competitive salary will be paid, a car will be provided and the benefits associated with expatriate status are significant. The initial appointment is likely to be offered on a three year contractual basis.

Please send a cv to John Muncey, Recruitment, Training & Development Manager, The Boots Company PLC, Head Office, Nottingham NG2 3AA.

Boots The Boots Company PLC

BUSINESS DEVELOPMENT TREASURY

The Bank of Montreal is seeking to expand its Treasury function with the appointment of two individuals for the following positions:

Senior Business Development Officer

Already successful in a similar role either in a bank or industrial corporation you will have a thorough knowledge of Treasury products coupled with well developed account service or sales skills. Key goals will be the development of new markets/products, team building and creating a higher profile in the market. Success in the role will require good communication skills and the ability to develop a strong rapport with customers.

Business Development Officer

Ideally with around 2-3 years' experience of Treasury products you will now be seeking a position with scope for development. The post offers an ideal opportunity for someone with a high energy level and the ability to work to the achievement of targets. Communication skills both in writing and orally are of paramount importance.

Both positions offer particularly attractive salaries along with competitive fringe benefits and offer the opportunity to join the Bank at an exciting stage of its development.

All applications should include a full career history and should be sent, in the first instance, to:
Colin Payne, Managing Director, JPW Recruitment Advertising, Ludgate House, 107-111 Fleet Street, London EC4 2AB.

The First Canadian Bank
Bank of Montreal

INVESTMENT ADMINISTRATOR

County Bank, is one of Britain's leading merchant banks, and is looking for an Investment Administrator to work in its expanding Investment Division.

The successful applicant will have experience of UK or international securities and settlements systems, be highly motivated, energetic and able to work well in a busy team environment; at least two years' experience is essential for this demanding position.

The competitive salary will be commensurate with age and experience and will be accompanied by a range of generous fringe benefits. Please write with CV to: Miss Ann Bishop, County Bank Limited, 11 Old Broad Street, London EC2N 1BB.

COUNTY BANK
A member of the National Westminster Bank Group

Assistant Treasurer
London c £17,500 + car

Our client is an international company, supplying a wide range of specialised chemical products and services to customers throughout the world. Current market capitalisation is in excess of £340 million. The company plans significant growth over the next few years within its established business regions.

An opportunity has arisen at its UK headquarters for an Assistant Treasurer to strengthen the treasury function. Reporting to/deputising for the Group Treasurer, main areas of responsibility will include surplus funds investment, foreign exchange exposure, management reporting and ad hoc acquisition projects.

Candidates, with an accountancy qualification and/or membership of ACT, must have at least three years experience within the treasury function of a medium to large multinational group or a financial institution. A high level of commercial judgement and the ability to communicate effectively with all levels of management, both internally and externally, are essential requirements. Age indicator 30-35.

An attractive benefits package will include a non-contributory pension scheme and a fully expensed executive car.
Candidates should write to Andrew Sales FCCA, Executive Division, enclosing a comprehensive c.v., quoting ref. 198, at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Investment Analyst – Deputy Investment Manager

Heron International wishes to appoint an Investment Analyst in connection with its wide ranging international investment activities. The post will also involve acting as Deputy to the Investment Director of Heron's insurance company subsidiary The National Insurance and Guarantee Corporation PLC.

Candidates should be aged about 30/35 and must have had at least 5 years relevant experience preferably in a financial institution. A substantial remuneration package will be offered to the successful candidate.

Please reply with full C.V. to
Harry Dobin, 19 Marylebone Road, London NW1 5JL.

Heron International PLC
19 Marylebone Road, London, N.W.1.
HERON

Senior Investment Manager

We are expanding our international investment management activities and this appointment offers a most interesting and challenging opportunity to contribute in a group which has a prominent position in fund management worldwide.

Applicants must have experience of managing fixed income multi-currency and/or equity portfolios.

A competitive salary will be paid, supported by a *generous fringe benefits package.*

Applications including details of previous experience should be sent to:
John E. W. Bamford, Assistant General Manager, Manufacturers Hanover Limited, 7 Princes Street, London EC2P 2EN.

MH
MANUFACTURERS HANOVER INVESTMENT MANAGEMENT LIMITED

New Business Managers
Financial Services

EXFINCO, established under the auspices of the British Export Finance Advisory Council with substantial backing from major shareholders, is seeking New Business Managers who will play a major role in the development of this exciting venture.

Reporting to the Business Development Director, the New Business Managers will have responsibility for the identification and assessment of potential clients and the negotiation of new business enquiries.

Candidates should have a proven track record over several years in selling financial services to industry. A knowledge of export procedures and credit insurance would be helpful. Self-motivation coupled with good communication skills are essential. Candidates should be well educated, possibly with a professional qualification and ideally be in the age range 25-35.

The company headquarters is in Swindon, Wiltshire and candidates are required for appointments there, in the City of London and elsewhere in Britain.

The company offers excellent prospects with generous salaries related to the experience and potential demonstrated by each individual. There is a non-contributory pension scheme together with free life assurance. A car will be provided.

Applications, enclosing a detailed C.V., will be treated in the strictest confidence, and should be addressed to: Mr. J.W. Adams, Company Secretary, The Export Finance Company Limited, Exfinco House, Sanford Street, Swindon, Wiltshire, SN1 1QQ.

THE EXPORT FINANCE COMPANY LIMITED.
EXFINCO

APPOINTMENTS ADVERTISING
APPEARS EVERY THURSDAY

TRADE FINANCE COMPANY

We are an established and expanding trade finance company seeking to recruit a number of suitably qualified people to join in the growth of our European activities.

REPRESENTATIVES: We would like to hear from energetic self starters capable of marketing both import and export finance facilities in the UK. You would be engaged on a commission basis and would need to represent us in one of the following areas. North-west or North-east England; Midlands; East Anglia; West Country or London.

UK MARKETING MANAGER: You need to be similarly qualified and able to produce results, personally, and through a team of representatives. This would be a salaried position and commission would be paid, based on results.

Please write with a detailed curriculum vitae to Box A8864 Financial Times, 10 Cannon Street, London EC4P 4BY

ACCOUNTANT
The opportunity for career progression

Last year Principles was one of the success stories of retailing. Our major chain of high street stores offering sophisticated clothes to discerning women achieved exceptional growth. Growth that we intend to sustain with planned expansion throughout 1985.

As an integral part of the Burton Group, whose 1984 pre-tax profits were £56.4m, Principles are looking to the future. A future that could include you.

We need an accountant to take up a completely new position in Head Office Financial Control. In the area of Financial Accounting you will be responsible for the general ledger, purchase ledger and payroll. While in Management Accounting you will be required to forecast and control central costs in conjunction with department heads and you will prepare the monthly accounts.

A finalist or fully qualified, you should ideally be a graduate, aged 25 to 35, who can contribute at least two years commercial or industrial experience.

In return for your professional expertise we offer an attractive salary plus bonus and an excellent range of benefits.

Please write with full personal and career details to: Beth Tarpey, Principles, 120 Regent Street, London W.1.

PRINCIPLES
A Division of the Burton Group

SHIPPING CONSULTANCY
SHIPPING ECONOMICS ADVISORY GROUP (SEA GROUP)

the consultancy arm of Lloyd's of London Press Ltd. requires additional ANALYSTS AND CONSULTANTS to assist in developing this fast-growing organisation

These appointments, which are London-based, involve liaison with executives from all areas of shipping and associated industries. Each position will involve spending time in providing private consultancy for individual clients as well as specific multi-client projects.

It is not necessary to have previous consultancy experience but candidates should have a track record of business development, planning or market research in shipping or allied industries. Statistical or econometric experience or qualifications would also be of benefit.

Applications in writing to:
Mr. W. J. Harding
Personnel Department
LLOYD'S OF LONDON PRESS LTD.
Sheepen Place, Colchester, Essex CO3 3LP
Telephone: 0206 69222 ext. 212

CORPORATE DEALER
FOREIGN EXCHANGE and MONEY MARKET

Due to reorganisation, vacancy now exists in the London Branch of a major U.S. Bank for an experienced corporate dealer to service the Foreign Exchange and Money Market requirements for a well established list of clients.

This position is part of an expanding trading team. Salary and benefits negotiable according to age and experience.

Write with c.v. to Box A8862, Financial Times 10 Cannon Street, London EC4P 4BY

LEADING STOCKBROKING COMPANY

seeking
A SENIOR CASHIER
for busy environment. Foreign and Sterling cash books involved. Only applicants with good exp. working for a large Stockbrokers or Investment Company need apply. Salary purely negotiable.

QUILL'S EMPLOYMENT AGENCY
70 Old Broad Street, EC2
Mrs Hicks 01-623 8733 Mrs Howell
ALL ENQUIRIES TREATED IN STRICTEST CONFIDENCE

Stockbroking Partners' Assistants

Quilter Goodison & Co., wish to appoint two assistants to partners in the private client department. Candidates should have a good educational background and ideally at least one year's experience of stockbroking.

The positions offer competitive salaries and good career prospects in a large and growing business in servicing private clients.

All applications will be treated in the strictest confidence. In the first instance please write giving details of age, education and experience to:

Paul Killik
Quilter Goodison & Co
Garrard House, 31-45 Gresham Street, London EC2V 7LH.

News Editor

Established weekly news magazine for business professionals requires a first rate news editor. Applicants should already have experience of weekly publishing and be able to demonstrate their ability to work under pressure.

The magazine is scheduled for a major development in early 1985 and the role of news editor is a key post requiring close liaison with the editorial team and active development of business and financial contacts. Based in Croydon, facilities include a City location for immediate contact with the financial community. A generous salary is negotiable for the right applicant – who at present is unlikely to be earning less than £14,000.

Please write or phone (01-686 9141) Kate Atchley, Editor, The Accountant:

Tolley Publishing Company Ltd
Tolley House, 17 Scarbrook Road
Croydon, Surrey CR0 1SQ.
Tolley

BANKING

CORPORATE FINANCE
£16-25,000 AAE + package + car
Excellent career openings have arisen for individuals with sound experience from within Merchant/Int'l Banking, marketing financial services in the Euro, US or Asian theatres. Product experience should include Swaps, Floating rate Instruments & Capital Market issues.

ELECTRONIC BANKING
PRODUCT DEVELOPMENT EXECUTIVE
c£13,500 + package + car
Probably a graduate, needs an interest in the process of automating Bank Core Products, to gain this demanding career role. You may be in Banking as a systems auditor or EIE or Banking Software Consultancy. Scope covers all areas of present/future Banking Technology. Possible development cycle into product management for right person. Age early/late 20s.

For further details of these and other current vacancies call
Robert Milne
01-439 4381
CRAWFORD RECRUITMENT SERVICES

Mike Pope & David Patten Partnership
Bank Recruitment Consultants

V.P. Correspondent Banker (to 38 yrs)	to £30,000
Spot Dealer 23 to 30	to £22,000
Senior Dealer (FX and Money Markets) 30 to 40	c £21,000
FX Dealer (Forwards) 23-26	to £20,000
Marketing Officer	to £20,000
Eurobond Settlements Seniors	to £15,000
Credit Analysts	£ neg
Grades 3 and 4 Clearing Bankers (A.I.B.)	£ neg

PLEASE PHONE MIKE POPE
01-247 0083
Bank Chambers, 2nd Floor
214 Bishopsgate, London, EC2

PARTNER'S ASSISTANT

Private Client Partner of leading Stock Exchange Member Firm requires a young assistant familiar with all aspects of Private Client administration to ensure the smooth running of an expanding business. Preferred age 21-25.

Please write to Box A8865, Financial Times 10 Cannon Street, London EC4P 4BY

Schaverien & Co.
Members of The Stock Exchange
18½ Sekforde Street
London EC1R 0HN
Telephone: 01-251 1626
Telex: 262120

PRIVATE CLIENT ACCOUNT MANAGER

As our client base is expanding we require a Private Client Account Manager to handle new business. The successful applicant will be aged between 25-35 with several years's relevant experience, and will probably be a Member of The London Stock Exchange.
The right candidate will find scope for his career to flourish within the independent environment of the Firm.
Suitable applicants should write, enclosing a Curriculum Vitae, to Alan Watson.

FOREX APPOINTMENTS

For Foreign Exchange and Money Market appointments at all levels consult a specialist
TERENCE STEPHENSON
Prince Rupert House, 9-10 College Hill, London EC4R 1AS · Tel: 01-248 0263
20 years market experience

Appointments Wanted

CHIEF EXECUTIVE/GENERAL MANAGER

Nine years ago I took control of a company with a negative balance sheet and a turnover of £120,000. Today my Group turnover exceeds £2m and the nett asset value approaches £300,000. To me problems are solutions in disguise and I will consider all serious propositions from principals only.
Write Box A.8870, Financial Times, 10, Cannon Street, London EC4P 4BY.

Countertrade / Barter, international trade and finance/banking expert, senior executive, economist, accountant, self-motivated, top-level negotiator and financial controller, available for employment or as adviser/consultant.
Write Box A8866, Financial Times 10 Cannon Street, London EC4P 4BY

هكذا في الأصل

International Appointments

S.I.T.A.

WORLDWIDE TELECOMMUNICATIONS AND DATA PROCESSING SERVICES ORGANISATION

SITA UK recruits for posting to Paris Head Office:

1 STAFF LEGAL COUNSEL (Ref. CZ)
(or Staff Attorney)

for its Corporate General Studies and Contracts Department.

Essential qualifications are a Law Degree and about three to five years experience in the international legal field including preferably negotiation of contractual matters. Knowledge of French is desirable. A background in telecommunications and data processing fields would be an advantage.

Responsibilities will encompass corporate legal and contractual matters both with the organisation itself and in relation to third parties.

1 JUNIOR FINANCIAL OFFICER (Ref. AZ)

to join the Management in the Finance and Economy Department.

The applicants should have a Business School Degree or equivalent and a good knowledge of French. A basic knowledge of data processing would be appreciated.

Responsibilities will encompass budgeting, cost control, project management control, economic studies, and may lead to other financial functions.

Candidates should be prepared to travel abroad when necessary.

Very good salary and comprehensive benefits package.

Please forward résumé and salary requirement to:

S.I.T.A., Lampton House, Lampton Road, Hounslow, TW3 4EY, Middlesex.

Group Financial Controller

Uganda — Package from £20k

A privately-owned, Uganda-based group of companies, our clients have achieved a dominant position in a diverse range of national markets and, on a broader geographical scale, have forged strong business links, as agents, with some of the world's most prestigious industrial organisations.

The holding company, with its offices in the cosmopolitan capital city of Kampala, is now keen to pursue a programme of group-wide computerisation - and the control and development of this programme will be the priority task of the new Financial Controller, in addition to assuming total responsibility for the management of a finance function and its staff of approx 8.

With a direct reporting line to the Group Executive Director - himself an ex-patriate - this newly-created, highly influential role will make special demands on both the professional expertise and the personal qualities of the ambitious Chartered Accountant who has already achieved senior status and who has an in-depth understanding of the very latest computerised business systems. Naturally, any experience gained overseas would be an asset. It is unlikely that anyone aged less than 35 will have the presence or the breadth of experience essential for this appointment.

The highly negotiable remuneration package for this married status, mutually renewable 2 year contract will feature a starting salary c£20,000 pa, with car, free furnished accommodation, domestic assistance, 4 weeks' annual holiday with return air fares to the UK paid. While Kampala, with its substantial expatriate community, excellent sports and leisure facilities and ease of access to the many attractions of East Africa, promises an attractive lifestyle.

Please write with full c.v. to Aubrey Magill, PER Overseas, 4th Floor, Rex House, 4-12 Regent Street, London SW1Y 4PP.

PER OVERSEAS
The complete overseas recruitment service

EMPLOYMENT CONDITIONS ABROAD LIMITED

An International Association of Employers providing confidential information to its member companies, relating to employment of expatriates and nationals worldwide

01-637 7604

ANALYST
INVESTMENT MANAGEMENT
HONG KONG

Fidelity is a privately owned investment management company whose only business is to serve private and institutional investors by offering financial services and products of consistently superior performance.

Currently we have a requirement for an Investment Analyst in the equity research area to be based in our Hong Kong office and work as part of a small team concentrating on Hong Kong, Australia and South East Asia markets, excluding Japan. This will involve liaising closely with Fidelity's portfolio managers and playing a vital role in determining the investment performance of our client's portfolios. You will also assist in the career development of our local research staff.

We would like to interview young men and women who wish to progress toward portfolio management positions and we are committed to providing the opportunity for individuals to do this at a relatively early stage in their careers.

To be successful, you will need to be a graduate, probably aged in your mid-twenties with a mature approach to your work, a highly developed and analytical mind, excellent communication skills and a minimum of two years' experience in an analyst or researcher's role within investment management or stockbroking.

Our requirements are demanding but in return we are able to offer significant rewards, including high base salary, incentive bonus scheme and an exceptional range of ex-patriate benefits. Please write in confidence with curriculum vitae to: Leslie J. Hart, International Personnel Director, Fidelity International Management Limited, 25 Lovat Lane, London EC3R 8LL.

These positions are open to both male and female applicants.

Fidelity INTERNATIONAL

Employment opportunities at

البنك السعودي للاستثمار
The Saudi Investment Bank

We are a Saudi Arabian bank, headquartered in Riyadh, with the following international bank shareholders:

The Chase Manhattan Bank, N.A.
J. Henry Schroder Wagg & Co., Limited
Commerzbank A.G.
The Industrial Bank of Japan, Limited

We are looking to strengthen our staff management by the addition of:

- **AN INTERNAL AUDIT MANAGER**
- **TWO INTERNAL AUDITORS**

These positions report to the General Auditor. The candidates should be Chartered Accountants, and have qualified with a major multi-national firm. They should also be able to demonstrate extensive banking experience, including familiarity with computerised auditing procedures. They must be fluent in English and preference will be given to those candidates with an Arabic capability. Age is not a vital factor, but it is unlikely that anyone under 28 would have sufficient experience for these demanding roles.

To the man of the right calibre, we offer a very attractive salary plus extensive benefits, which will include a housing allowance, free health care and generous paid leave arrangements.

If you believe that you can meet the requirements of either of these positions, please write by AIR MAIL, in the first instance, with your resumé (including a recent photograph) to the:

GENERAL AUDITOR,
THE SAUDI INVESTMENT BANK,
P.O. BOX 3533, RIYADH 11481,
SAUDI ARABIA.

اعـــــلان

تعلن مؤسسة عربية مالية عن حاجتها الى تعيين موظف لشغل وظيفة "مدير العمليات" بدائرة الاستثمار (TREASURY MANAGER) ويقوم بالاشراف على قسم العمليات بالدائرة ومساعدة رئيس الدائرة في كل الاعمال الخاصة بالدائرة"

المؤهلات: ان يكون حاملاعلى الاقل على شهادة الماجستير في ادارة الاعمال او الاقتصاد (MBA/M.SC(ECO.)

الخبرة : ٨ ــ ١٠ سنوات في وظيفة رئيسيةفي مجال الاستثمارات في الاسواق المالية العالمية .

العمر : ٣٥ ــ ٤٠ سنــــة

الراتب : يحدد حسب المؤهلات والخبرة

امتيازات اخرى: سكن/ اثاث/بطاقات سفر

ترسل الطلبات الى: رئيس الدائرة الادارية ــ ص ب ٢٨١٨ ابوظبـــي ــ دولة الامارات العربية المتحدة ،في موعد اقصاه ١٥ يوما من تاريخ نشر هذا الاعلان .

EUROPE · MIDDLE EAST · AFRICA · FAR EAST

To be quite honest, you won't succeed as an International Financial Consultant unless you have the right background

High tax-free incomes are being earned by British and other expatriates in many parts of the world. Most of them are keen for advice on how best to invest and maximise these assets, and they naturally prefer to seek it from people they can trust and respect.

People such as Finexco's Financial Consultants. Their expertise, allied to total integrity and professionalism has enabled us to grow to become one of the world leaders in this fast expanding specialist market in less than five years.

Such is the demand for our services that we now need to add to our elite team of International Consultants.

We are looking for people whose background of consistent professional achievement has won them respect in the business community; people with plenty of self-confidence, imagination, a streak of independence and a constant desire for fresh challenge. Probably not less than 30, your acumen, authority, and ability to negotiate are more important than specific experience of international finance, although this would of course be a considerable asset, as would a second language.

Our specialist training is acknowledged to be one of the best in the profession.

It will prepare you to go wherever the market is (and that could be anywhere in Europe, the Middle East, Africa or the Far East) and reap very high rewards commensurate with your success. This is without doubt an exceptional opportunity with a true Blue Chip company.

Please write, enclosing a full CV, to H E Gane, (Ref: 318), Whites Bull Holmes Ltd., 63-66 St. Martin's Lane, London WC2N 4JX.

FINEXCO

INTERNATIONAL APPOINTMENTS APPEAR EVERY THURSDAY

Rate £37.00 per Single Column Centimetre

Financial Manager Latin America
Based in Buenos Aires

Reuters, the world news and information organisation, wishes to recruit a Financial Manager to head the Latin America Region's financial operations.

Reporting to the Manager, Latin America, the Financial Manager will play an important role in the development and management of the Company's business in the Region. This will include maintaining and developing computerised accounting systems and procedures for the production of monthly financial reports, including forecasts, and annual budgets and plans.

In addition to the staff in Buenos Aires, the Financial Manager will be responsible for the work of accountants based in Mexico City and São Paulo.

The successful applicant should be a qualified accountant with at least five years' operational experience. Some experience of working overseas, preferably in Latin America, is necessary. The ability to communicate in Spanish is desirable.

A basic remuneration of up to £25,000 per annum will be paid according to experience and qualifications plus overseas allowances and benefits including accommodation and company car. Annual home leave is provided.

To apply, please telephone 01-353 7329 (24 hour answering service) or write to The Recruitment Executive,

REUTERS,
85 Fleet Street,
London EC4P 4AJ.
We are an equal opportunities employer

REUTERS REUTERS REUTERS

Arts graphiques Courvoisier

The stamp and security printing division of the Courvoisier Group in La Chaux-de-Fonds, Switzerland, is looking for a

director of sales and marketing

In the first instance, he will be deputy to the present director, who is due to retire.

His **ACTIVITY** will be largely concerned with foreign countries, mainly those of the Arab world, Africa and the Far East.

His **QUALIFICATIONS** must be of a high order all round and should include a wide experience of selling abroad.

He must be a good organiser and have a thorough knowledge of French and English.

He must be used to international circles, both business and government.

Salary will be in line with his responsibilities and qualifications.

Applicants should submit a detailed curriculum vitae, accompanied by a covering letter in their own handwriting, to:

Mr. Louis Genilloud
Administrateur
Rue Jaquet-Droz 58
CH-2300 La Chaux-de-Fonds

Financial Controller
Zambia

Anglo American Corporation (Central Africa) Limited, a member of the Anglo American Corporation Group of Companies, provides managerial, financial and secretarial services to the Group's operating companies in Zambia.

The Financial Controller reports to the Managing Director and is responsible for advising on and co-ordinating group financial and accounting policies as well as having day-to-day responsibility for the finances of the company.

Candidates should be Chartered Accountants with at least five years post qualifying experience.

A remuneration package which will be set in relation to appropriate experience and qualifications will facilitate both an adequate lifestyle in the Zambian city and substantial overseas savings over a 2 year contract period. Other benefits include free furnished accommodation, car and medical treatment, generous leave and overseas passage entitlement, education bursaries and travel allowances.

Applicants should write with a detailed curriculum vitae to:-
The Managing Director, P.O. Box 31986, Lusaka, Zambia.

CONSULTANTS FOR ZAMBIA

Two qualified accountants with at least 5 years' experience are required to design and implement complete accounting and management information systems for one of Zambia's biggest co-operative unions located in Northern Province.

An attractive two-year contract, with possible assistance to externalise local savings, will be offered.

Applications with detailed cv should be sent to:
The General Manager
ZCF ACCOUNTING SERVICES LTD
PO Box 50794, Lusaka, Zambia
Telephone: 213414 · Telex: ZA40670

FOREIGN EXCHANGE CONSULTANCY

THE COMPANY
The European subsidiary of a major U.S. Bank, recognized as a world leader in international financial consultancy, is seeking Consultants/Senior Consultants to join their young and highly successful consultancy team based on the Continent.
He/she will join a fast expanding operation with a large client base in Europe, the Middle East and Africa.

THE JOB
The work is wide ranging and entails providing a professional consulting service to major international companies and financial institutions on all foreign exchange and treasury related transactions. Consultancy is given at the highest corporate levels in an international environment with frequent travel.

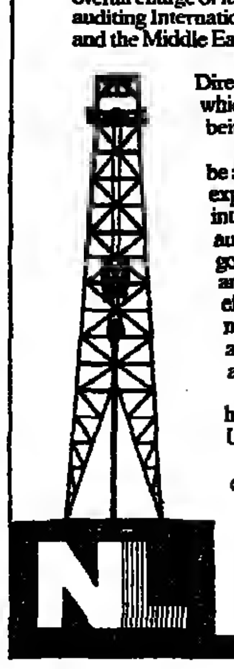
THE QUALIFICATIONS
He/she will have a degree in economics and/or finance or equivalent experience. Our candidate will be in his/her late twenties to late thirties and must have gained professional experience with the international currency and money markets. Absolute fluency in at least three European languages or in all Nordic languages is essential.

EXPERIENCE
The candidate should have worked with a European company/bank for at least 3 years in an international treasury/finance position. Foreign exchange dealing experience would be an asset. The candidate could also have worked as an advisor with active consulting responsibilities. He/she must be a self-starting individual, who likes to sell successfully a high-priced consultancy product. This position represents very attractive benefits (fringe, tax, etc.) and an exceptional career potential for the qualified individual.

**Write in full confidence with curriculum vitae under reference H/55 to Agence Havas,
13 Bld. Ad. Max, B - 1000 Brussels / Belgium**

European Audit Manager
International Operations
London - c.£25,000

NL Industries Inc., a leading manufacturer and supplier of petroleum services and chemical products with annual sales of around $1.5 Billion, requires an audit manager to take overall charge of its audit staff who are responsible for auditing International Operations in the U.K., Europe, Africa and the Middle East.



The position, which reports to a Corporate Director in the U.S., is a highly visible one which resulted in two previous incumbents being promoted.

The successful candidate will probably be a chartered accountant, with well rounded experience and proven track record in international and U.S. accounting practices, audit experience at the supervisory level, good knowledge of multi-national treasury and tax matters, and the ability to liaise effectively with senior operational management. The ideal candidate would be at the manager level in an international accounting firm.

The position is based at our Mayfair headquarters and will involve extensive U.K. and overseas travel.

Please reply, in confidence, giving concise career and personal details, to:
**F A. Abercrombie,
International Recruitment,
NL Petroleum Services,
35/36 Grosvenor Street,
London W1X 9FG.**

Accountancy Appointments

Financial Controller

West London — **From £20,000 + car**

Our client is a small international group with a core business in shipping and interests in publishing and travel. After a lean period, the group is set for a substantial increase in turnover following the recent launch of a high-value credit card, aimed particularly at the U.S. market.

The person appointed will take complete charge of all finance, accounting, data processing and personnel/administration functions in addition to assuming the company secretarial role. He or she will also be expected to make a significant general contribution within the senior management team. Success in this appointment is expected to lead to a directorship of the U.K. group.

Qualified accountants aged 28-35, with sound commercial experience who are not seeking a comfortable niche but would enjoy a challenge offering high job satisfaction in the short-term and high financial rewards in the longer term, will be excited by this opportunity to make a significant contribution to the profitability of an expanding group.

Benefits will include participation in an attractive profit share scheme.

Please write in confidence, enclosing career details and quoting reference D2666/L, to Valerie Fairbank, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT MARWICK

Accountant/Administrator

Chelsea — ***to £20,000***

Our client is a well known management, publishing and recording company handling a number of top artists. In order to strengthen the management of the company they wish to recruit an accountant/administrator. Applicants should be 30-35 with broad computer accounting experience although equally important is the ability to organise and control administration. This is a challenging appointment demanding total commitment but offering excellent long term prospects.

Applications to R. J. Welsh.

Reginald Welsh & Partners Ltd
ACCOUNTANCY & EXECUTIVE RECRUITMENT CONSULTANTS
123/4 Newgate Street, London, EC1A 7AA. Tel: 01 600 8387

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London based

C&L

In recent years Coopers & Lybrand Associates has been developing and expanding its Treasury Management Consulting Group which is currently providing a service for a wide variety of clients – ranging from large European corporations to international financial institutions and banks.

The main areas covered by the group include strategic studies relating to tha treasury function, corporate finance, international tax planning and treasury information systems, banking arrangements and relationships.

We are seeking high-calibre qualified accountants, preferably graduates in their mid to late twenties, to provide a valuable contribution to this fast-growing, dynamic area. Suitable candidates will have a confident personality and a successful career record, preferably involving some managerial experience. First hand knowledga of the finance function of major companies would be an advantage.

This position offers excellant on-the-job training in a new and exciting field with enormous scope for personal development. There will be opportunities for travel to Europe and occasionally North America.

We offer an attractive salary and benefits package, which will reflect your qualifications and experience and will increase rapidly for the highly-motivated and effective performer.

Please send your résumé including current salary and day-time telephone number to Graham Bond, quoting Ref. 01/1.

Coopers & Lybrand associates
Coopers & Lybrand Associates Limited, management consultants
Fleetway House, 25 Farringdon Street, London EC4A 4AQ.

Financial Management in a major bank

YOUNG QUALIFIED ACCOUNTANTS

c.£16,000 + mortgage benefits

Our client is the Treasury Division of one of the world's largest banks. It is engaged in a far-reaching development of its financial and control systems. As a result it wishes to recruit 3 managers within the following areas:

MULTI-CURRENCY ACCOUNTING/ STERLING ACCOUNTING

2 positions in line management. Both will control a small team with complete responsibility for daily production of accounting information, with regular involvement in non-routine projects.

AUDITOR

To join a small team involved specifically in setting up effective financial and operational controls with particular emphasis on new products.

Candidates should be qualified accountants (ACA, ACMA, ACCA) and will probably have between 6 months — 2 years P.Q.E. A knowledge of banking, possibly through audit, is preferable but by no means essential. Above all, candidates must be natural communicators and be prepared to adopt a 'shirt sleeves' attitude to these positions as they all present personal and technical challenges above the norm. This is an ideal opportunity to commence a banking career with a prime banking name, within one of its fastest growing divisions.

Please contact Kevin Byrne or Sarah Beaumont on 01-588 6644, or send a detailed curriculum vitae to Anderson Squires Ltd., Bank Recruitment Specialists, 85 London Wall, London EC2

Anderson, Squires

Banking and Finance Sector

ACCOUNTANTS

Move into Management Consultancy with

PEAT MARWICK

City based — **Up to £25000 + car**

Peat Marwick Mitchell & Co. is one of the world's major firms of accountants and management consultants, an organisation of international repute with over 300 offices in more than 70 countries throughout the world.

Peat Marwick have firmly established themselves at the forefront of the financial sector, having gained a coveted reputation for professional excellence in their work for leading financial organisations across the world. With demand for their services in this area increasing rapidly, they now wish to appoint several accounting professionals to augment their experienced Financial Sector Group, currently undertaking top-level assignments for a number of prestigious clients.

Your work as a consultant will be varied and challenging. It will include analytical and problem solving studies, designing and implementing complex transaction recording and processing systems, and researching and developing planning and management information systems. The clients will range from small single location securities companies to major banks and financial institutions with large branch networks.

Aged between 28 and 35 with a recognised professional qualification, you will have had a successful and progressive career to date and have gained experience with banking, stockbroking, building societies or credit card organisations. Of prime importance are excellent verbal and written skills, initiative and self motivation together with the personal qualities required when dealing with senior client management.

Career opportunities within the firm are exceptional for individuals of the requisite calibre — promotion and salary progression are rapid and opportunities exist to work overseas if desired. You will be encouraged to develop your own business awareness and technical skills to the full, and to take an active part in the growth and development of one of the most prestigious firms in the world.

To discuss these opportunities, contact Patrick Jackson in strictest confidence on the number below, or on Newick (082572) 3694 evenings and weekends. Alternatively send a brief career history quoting ref. FT935. Initial meetings will be held in London.

BL Barry Latchford Associates Tel. (0444) 459815–9
Blair House, 7 Hazelgrove Road, Haywards Heath, Sussex RH16 3PH

Deputy Finance Director

North West — **c£18,000 + car**

Our client is a highly successful engineering subsidiary of a major multi-national group, whose name and products are widely respected throughout the world.

The company requires a qualified accountant who will undertake the responsibilities normally associated with a position of this seniority in a progressive organisation. The successful applicant must clearly have the potential to take on higher level appointments within the company or group (not necessarily within the finance function) after appropriate development and experience.

The company operates modern computer-based financial systems, incorporating sophisticated financial planning and management information techniques. Current commitments are to a major D.P. development programme based on M.R.P. and the implementation of fully integrated manufacturing cost control procedures.

Candidates, aged 30-35, should be qualified accountants, of proven professional ability, who must be able to demonstrate the personal presence, managerial ability, communicative and motivational skills required to make an immediate impact at all levels within a major organisation.

Relocation facilities are available where appropriate. Interested applicants should write to **Alan Dickinson** quoting ref. 7000 at Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester M2 3LQ. ***(Tel: 061 228 0396).***

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Michael Page Partnership
International Recruitment Consultants
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Birmingham Manchester Leeds Glasgow

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Ambitious ACA Business Planning and Control

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Due to expansion, a recently qualified ACA, preferably with some experience of Lloyds gained either in or outside the audit function, is required for a high profile position within one of the leading institutions in the City.

Involved in monitoring the financial requirements concerning Lloyds Brokers, you will be responsible for renewing Brokers annual solvency data, and determining the financial consequences of acquisitions, mergers, etc. including the consideration of business plans.

You will ideally be aged mid to late 20's. Immaculate presentation is essential, as are first class interpersonal skills. Drive, enthusiasm and the ability to work with minimum supervision are prerequisites.

To apply please contact Rebecca Goddard quoting ref: RG 8311.

Lloyd Chapman Associates
International Search and Selection
160 New Bond Street, London W1Y 0HR
Telephone: 01-408 1670

Taxation Manager

London — ***c£20,000 + car + banking benefits***

Our client, the financial subsidiary of a major UK clearing bank, is a group of companies involved in instalment credits, leasing finance and invoice factoring. They wish to appoint an experienced taxation specialist to the position of Taxation Manager.

Reporting to the Finance Director, the successful candidate will be responsible for coordinating the group's taxation planning and practices in order to ensure the provision of a comprehensive and forward looking service in this important field.

Candidates ideally aged 32 to 40, should be qualified accountants or members of the Institute of Taxation. The position requires a thorough grasp of taxation combined with the ability to operate as the lead specialist, advising the group and its subsidiaries on the tax implications of their activities. Previous experience of the leasing industry will be an advantage.

The compensation package will reflect the importance of the position and a comprehensive set of "banking" benefits will apply. Assistance with relocation will be given if necessary.

Please apply, in confidence, detailing your career history and current salary to:
Alannah Hunt, Executive Selection Division.
Price Waterhouse Associates, Southwark Towers,
32 London Bridge Street, London SE1 9SY.
Please quote reference MCS/6034.

Price Waterhouse
Business Needs Experts

COMMISSION FOR LOCAL AUTHORITY ACCOUNTS IN SCOTLAND

CONTROLLER OF AUDIT

Applications are invited from suitably qualified persons for the post of Controller of Audit, to succeed the present holder who is *retiring*.

The Controller is required to supervise and guide the external audit of the accounts of all Scottish local authorities (total annual expenditure c. £4,800m) undertaken partly by the Commission's staff and partly by firms of accountants and to report to the Commission and the local authorities on all significant matters arising from the audits; particular emphasis is placed on the value for money aspects of the audit.

The Commission are seeking a person of proven ability who can demonstrate substantial experience and achievement in financial administration and control. The successful candidate is likely to be professionally qualified with a knowledge of modern audit practice and to have attained already a senior position in the public sector, a nationalised industry, a firm of accountants or a mjor industril organisation.

The salary scale for this appointment is currently *£27,783-£29,637* (under review).

Further details and application forms may be obtained from the Secretary, *Commission for Local Authority Accounts in Scotland*, 18 George Street, Edinburgh EH2 2QU, telephone no. 031-226 7346.

Accounts Commission

COST ACCOUNTANT, S.E. LONDON.

ENGINEERING COMPANY IN GREENWICH

with expanding export markets

requires a qualified cost accountant with the ability to develop and improve existing costing system.

Likely qualifications are A.C.M.A., aged 28-38, with several years' experience in manufacturing environment. Good salary will be based on experience to date.

Write Box A.8869, Financial Times
10 Cannon Street, London EC4P 4BY

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Accountancy Appointments

Investment Accountant

West Sussex

For a medium sized and progressive life assurance company with an impressive growth record. The company is a market leader with a national sales network and an extensive range of specialist policies.

Reporting to the Financial Controller, the primary responsibility will be for the management and development of the investment accounting function. This is responsible for all relevant accounting for both the life assurance company and two unit trusts as well as for the production of daily unit pricing. There will be a need to work closely with investment managers, brokers and other specialists.

An accountant, preferably qualified, aged around 25-30, is required with practical experience of investment and unit trust administration and accounting together with a good knowledge of related tax legislation. Strong management and excellent communication skills are also sought.

Remuneration: Around £16,000 plus subsidised mortgage, car and other benefits, including assistance with relocation expenses.

Please write in confidence to Maureen K Mallozzi (Ref 2112F).

TML KMG

Thomson McLintock Associates 70 Finsbury Pavement London EC2A 1SX

ACA/ACCA

£16-18,000 + Car

Rapidly expanding Computer Co. seek young qualified accnt (26-32 yrs) to assume full responsibility for company accounts.

Excellent prospects for dynamic, career-orientated person.

Write, with full c.v., to:

Abacus Recruitment

30/31 Queen St, EC4

01-236 0642

Senior Manager/ Prospective Partner

c. £20,000 + Car

The receivership, reconstruction and liquidation division of a major Midlands practice is seeking a Senior Manager with the business acumen to play an active role in further developing an already substantial practice. An early appointment to partnership is envisaged.

Proven skills in rapidly appraising and reporting on financially troubled businesses is essential, together with the ability to monitor and on occasions manage the business short-term. Prior experience is vital but total previous dedication to insolvency work is not essential. For individuals who are natural self starters the job satisfaction should be high. The medium/long term prospects are outstanding.

Applications will be welcome from individuals resident in all parts of the U.K. Relocation assistance will be available where necessary.

Please apply in confidence, quoting ref. L153, to:

Brian H Mason
Mason & Nurse Associates
1 Lancaster Place,
Strand, London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

TOSHIBA

Financial Controller

Toshiba (U.K.) Ltd, the Camberley based U.K. subsidiary of a world leader in the electronics industry, is involved in the marketing of consumer electronic products and electronic components with a turnover approaching £150M.

A Financial Controller is required to make a substantial contribution to the profitable expansion and development of the Company. Reporting to and working closely with the Director of Finance, responsibilities will encompass the management of the accounting function, including financial and management accounting, budgeting, strategic long-term planning and taxation.

Candidates, ideally aged 28-35, will be qualified accountants with several years commercial experience and the personality and presence to operate effectively in a marketing/sales environment. Broad based technical ability, sound management skills and an innovative approach are identified as key personal qualities.

An attractive remuneration package including a fully expensed car and generous fringe benefits will be offered to the successful applicant.

Applicants should write to Nigel Bates FCA, enclosing a comprehensive curriculum vitae, *quoting ref.* 197, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Financial Accountant

Middlesex

Glaxo Pharmaceuticals Limited is a principal UK Operating subsidiary Company of Glaxo Group and also has responsibility for the co-ordination of marketing and technical services world-wide.

Following internal promotion we have an opportunity within our Head Office Accounts Department at Greenford for a qualified Accountant reporting to the Company Financial Accountant.

The job carries responsibility for an area of financial accounting involving the co-ordination of the relevant accounting systems across all Company Sites, together with direct supervision of a section of the Greenford Accounts Department. The Company's accounting systems are modern and sophisticated and are operated to tight deadlines on an integrated computer network which serves all Company Sites. The person appointed will be fully involved in the preparation of accounts, financial procedures and other Head Office accounting projects.

The job demands technical competence, provides scope for innovation, and offers valuable career development experience for a qualified accountant who has the potential for increased responsibilities in the near future. The successful applicant will probably be a graduate, with a first class academic background and a proven ability to communicate both verbally and in writing.

We offer an attractive remuneration package, including a profit sharing bonus scheme and non-contributory pension scheme.

Please write or telephone for an application form to: Mr M. E. Bates, Senior Personnel Officer,

Glaxo *Pharmaceuticals LIMITED*

GREENFORD ROAD, GREENFORD, MIDDX. TEL. 01-422 3434 ext. 2837 quoting reference. MEBI777.

ACCOUNTANCY APPOINTMENTS
APPEARS EVERY THURSDAY

High Technology Electronics • Fast Expanding P.L.C.

GROUP FINANCIAL DIRECTOR

M4 Corridor **Package over £40,000**

A superb opportunity in a newly-created role covering broad commercial management as well as the total financial control of this very successful public group.

Our Client A well-established, c£40m. turnover group with subsidiaries in the manufacture, servicing and distribution of high technology electronic products. The Group is a market leader in several product areas and its growth, already impressive, is planned to continue, particularly through acquisition.

Your role Will cover the entire financial function but the primary task will be to work closely with the Group Managing Director in guiding the planned growth of the group through: Expansion, both organic and by acquisition • Improving divisional performance • Corporate planning. In short, business management rather than "number-crunching".

Our Ideal Candidate An FCA with current financial responsibility for a group, preferably in high technology manufacturing. We seek broad-based commercial skills and the ability to play a key role in managing the group and its operating divisions. Age 35-50.

Remuneration The vital importance of this position to our Client's future means that remuneration will not bar candidates able to make the contribution we require.

To learn more: Telephone or write in total confidence to the Board's Adviser, Richard Goode, M.A., on 01-388 2051 (01-388 2055: 24 hour ansaphone). *Quote Ref 851*

M MERTON ASSOCIATES (CONSULTANTS) LIMITED,
Merton House, 70 Grafton Way, London W1P 5LN
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32, Savile Row, London W1 01-734 3879

'... an environment where innovation and high performance are essential qualities ...'

The international expansion of Sinclair at the cutting edge of technology places such demand on the staff that the Finance Director's quote may be an understatement. We need more people who are able to grasp complex business issues and provide creative support to our management team.

Financial Analyst

– to monitor, analyse and report on the performance of all the Sinclair operational activities. You should be a recently qualified accountant who can confidently communicate at all levels. Ref: FA/SR.

Internal Auditor

– whilst the role itself may be self-evident its international orientation may not. You should be a highly motivated, qualified accountant with linguistic ability. Ref: IA/JL.

Management Accountant

– standard costing, inventory control, variance analysis and capital expenditure appraisals are the key activities of this position. We are seeking a qualified (ICMA) Accountant with relevant experience. Ref: MA/SR.

Each of the positions require people with considerable energy, flexibility and intellect. If you can meet the challenge, we will produce a salary and benefits package to meet your needs. A full relocation package is available for your move to Cambridge.

Please send your CV to John Graham,
Corporate Personnel Manager, Sinclair Research Limited, 25 Willis Road, Cambridge CB1 2AQ, quoting the appropriate reference.

sinclair

Company Accountant

Watford, Herts

Benskins is a successful, independent operating company within the Allied Lyons Group. We market and sell an extensive range of Ind Coope and Benskins brands, and control around 600 of the most popular pubs in the Northern Home Counties, from our Head Office in Watford.

It is here we now wish to appoint a Company Accountant, reporting directly to the Managing Director. You will actively participate in the preparation and monitoring of the company business plan, operating budgets, management information and control systems. Additionally, you will undertake profitability exercises and assess investment opportunities, advising the Local Board accordingly.

Applications are invited from qualified accountants, ideally aged 27-35, who can demonstrate a successful track record, are self-motivated and have the ability to communicate effectively at all levels.

We offer a competitive negotiable salary, company car and the usual benefits of a large, progressive organisation.

Write or telephone for an application form to Miss Julie Garrett, Personnel Assistant, Ind Coope Benskins Ltd., Benskin House, Station Road, Watford, Herts. Telephone (0923) 28585 ext 251.

IND COOPE
BENSKINS

Accountancy World

Tel: 01-948 1677/8

GROUP FINANCIAL CONTROLLER

RICHMOND **£17-20K + CAR**

Our client, a successful group of companies within the manpower services industry (T/O £3m), is seeking a Qualified Accountant to be responsible for all aspects of Financial management and control.

This key position reports solely to the Chairman and necessitates close liaison with line managers. Candidate should possess sound commercial experience, preferably gained within a service environment.

The organisation has embarked on a long-term expansion programme. The successful candidate will be required to contribute towards this growth, by further development of computerised accounts and the improvement of existing management information and reporting systems.

Please reply in the first instance to:

General Manager on 01-948 1677.

6 Union Court, Richmond, Surrey TW9 1AA.

FINANCIAL CONTROLLER (DIRECTOR DESIGNATE)

East Anglia **To £20K + Car**

• Our client is a **sound property development company** moving ahead successfully in a **specialised residential market**. Substantial *development is presently in progress (turnover in* excess of £12M.), and **considerable growth is planned.**

• A challenging **new opportunity** exists for a commercially orientated **qualified accountant**, aged 28-36, and preferably but not necessarily familiar with contracting and associated accounting systems and controls, to join a **small entrepreneurial team.**

• Remuneration will include an opportunity **to share in the capital growth of the company.** Relocation *expenses will be negotiated where* appropriate.

• **Candidates, male or female, please write in confidence to David T Bentley, Senior Consultant, 3i Consultants Limited, 5 Victoria Street, Windsor, Berkshire SL4 1EZ,** ***giving full career and salary details,*** **and quoting Ref. DB/510.**

3i Investors in Industry Consultants Limited
Recruitment Division

FINANCIAL & CORPORATE MODELLING CONSULTANTS LTD.

FINANCIAL CONTROLLER

(DIRECTOR-DESIGNATE) c £20,000 + CAR

An outstanding opportunity to join a dedicated management team of an espanding international Software House.

We requite an energetic, hardworking Qualified Accountant with at least *3 years commercial experience.*

The candidate (male or lemale) should be capable of making a positive contribution to the management of the Company and have an entrepreneurial spirit essential in our fast moving business.

Applicants should, in the first instance, write enclosing cv to:—

Emrys T. Devonald, Director
FINANCIAL & CORPORATE MODELLING CONSULTANTS LTD
45 Chagford Street, London NW1 6EB

Accountancy Appointments

Financial Controller

c. £17,500 plus car **East Anglia**

Our client, a manufacturer and national supplier of high quality menswear, wishes to appoint a financial controller. This is a new position created by the growing independence of tha company from its group parent.

The main requirements for the post will be to help create and then run the financiel accounting function. In addition, the successful candidate will be expected to provide major input into the development of new computer systems, ensuring that the whole departmant is edequately staffed. Other important responsibilities are for the personnel function, where day-to-dey matters ere dealt with by e Personnel Officer, and credit control.

At the present time there is no financiel director and this provides en opening for the financial controller to earn fairly rapid promotion. The job holder will report to the Managing Director.

Candidates should be quelified eccountants probably in their thirties with some manufacturing experience. They should be used to making decisions ebout systems and peopla and able to work effectively under their own initiative.

Starting salery will be in the region of £17,500 with car end the usual benefits.

Please write stating how you meet our client's requirements, quoting reference 1406, to:

BinderHamlyn
MANAGEMENT CONSULTANTS
Anne Knell, Executive Selection Division,
Binder Hamlyn Management Consultants,
8 St. Bride Street, London EC4A 4DA.
Telephone 01-353 3020.

Financial Controller Retail

Rural Staffs. **c.£28,000 package + CAR**

Our client is a rapidly expanding Sports and Leisure company with an ambitious programme of growth over the next three years. This exciting company, shortly to go public, offers a rare opportunity to a high calibre Controller.

Reporting to the Directors, this number one role offers real responsibility for the management of the finance function and considerable commercial involvement as part of a young, professional management team. Specific areas of responsibility will include both management and statutory accounts, cash management, stock control and the implementation of sophisticated computerised systems.

For this key management role the company is seeking a qualified accountant, aged 30-45, with proven ability within the retail industry. Candidates should be sports minded, commercially aware and possess the ability to react to changing situations arising from a high growth environment.

Based in an attractive rural location, the company's new offices are within easy commuting distance of the Birmingham and Manchester conurbations. Relocation assistance will be provided where necessary.

Please apply directly to Jeff Grout at Robert Half Personnel.

ROBERT HALF
ROMAN HOUSE, WOOD ST, LONDON EC2. 01-638 5191
FINANCIAL RECRUITMENT SPECIALISTS

Internal Auditor

Attractive five figure salary + car
Gloucester

The Trident Insurance Group employs some 700 staff in operations spanning Trident Life Assurance, Trident General Insurance, and Beaufort Computer Services. It is part of an international insurance organisation whose total assets exceed £4 billion.

Success and rapid growth have placed increasing importance on efficient systems, controls and the provision of regular concise management information. To ensure we meet these vital business objectives we are now seeking to replace a vacancy which has arisen following internal promotion to line management.

This is an excellent opportunity for a young qualified accountant who is currently working in the profession and seeking to develop a rewarding career in a progressive, commercial internal audit role—with prospects to match.

Responsibility will centre on the appraisal of existing systems and testing compliance with the financial controls of the company. You will also be responsible for reviewing both quarterly statements for the parent Company and regular management papers in operating companies. There will also be some travel involved in performing branch audits.

A highly attractive salary will be offered together with excellent fringe benefits including a company car. Generous assistance will be given where appropriate with relocation to this pleasant area of the country.

Please write with comprehensive career details to Alan Austin, Group Personnel Manager, Trident Insurance Group Limited, 69 London Road, Gloucester GL1 3LE, or telephone Vicki Atkinson on 0242 500500 for an application form.

Trident
A member of the General Re Group

FINANCIAL DIRECTOR (Designate)

c. £16/18000 (plus profit-sharing after appointment to the Board) Central London.

Are you: Tough?
Ambitious?
Capable?
Driven by the will to succeed?
A young C.A. (late 20's/early 30's)?

Have you had at least 2-3 years experience outside the profession (preferably in retailing/distribution)?

If so, you may be the person we need.

We want a strong financial and commercial executive to help promote and manage the growth of Tie Rack - the leading national specialist retailer of neckwear and allied accessories - which is embarking on the next phase of its expansion. This includes working with one of the largest store groups in the U.K.

This is a most important appointment with tremendous career potential.

You will take on: Implementing a sophisticated computerised stock control and merchandising system.
Full financial and accounting responsibility.
Assisting in formulating policy.
A key position in the management team.

All applications treated in strict confidence.

Phone Dave Jennings on
01-225 1166 or 01-584 8129
or write to:-
2 Montpelier Street,
Knightsbridge, London,
SW7 1EZ.

Tie Rack

Data Security and Computer Audit Consultants/Senior Consultants

London/£negotiable

Price Waterhouse is a major international accounting and management consulting firm. We are currently seeking ambitious end self motivated individuals to augment our existing team of consultants in the developing field of data security and control. This is allied to computer audit support for complex computer installations both in the UK and abroad.

Senior Consultants

Candidates should be:

either - EDP professionals with knowledge and experience of data security and control systems
or - qualified accountants with sound experience in EDP audit or EDP consultancy
and must be in their late twenties/early thirties.

Consultants

Candidates for these positions should be:

Newly qualified accountants who wish to gain experience in EDP audit and are seeking a longer term career in management consultancy.

In addition to annual salary, negotiable et current market rates, the benefits include pension, BUPA, plus a company car for those appointed as Senior Consultants. There will be scope for further advancement for outstanding candidates.

Send in confidence full personal and career details (quoting MCS/8009) to:
Peter Humphrey, Price Waterhouse,
Southwark Towers, 32 London Bridge Street,
London SE1 9SY

Price Waterhouse
Business Needs Experts.

Finance Director Designate

Property/Building Contracting

Central London **£20,000–£25,000 + car**

Our client, a UK quoted company, has a current turnover in the region of £40 million from activities in house-building, property development and investment and building contracting. Based in Central London, the group expects to continue its rapid expansion both organically and through acquisition, towards a target of £100m turnover.

You will be responsibla for the total financial control of the group, and, as a member of a small executive team, be expected to contribute to the general management of the business. Directorship prospects are excellant for the achiever.

Probably in your early 30's, you should be fully qualified, preferably chartered, and have a successful record of group financial management at a senior level and be used to dealing with financial institutions. Relevant sector experience would be an advantage.

Salary is negotiabla. Benefits include car, BUPA, individual pension scheme and relocation assistance, where appropriate.

Please write – in confidence – with full career and salary details to Peter Evans ref.B.49274.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.
Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

A key financial role based in Bristol

Monenco Associates Limited is a company engaged in world-wida engineering consultancy services. We are currently seeking a qualified and experienced finance professional for the position of Manager, Accounting Department.

Reporting to the General Manager in Bristol, and also to tha Vice-President, Financa in Montreal, for certain aspects of corporate financial accounting, ha or sha will be responsible for a small team of peopla angaged in the day to day accounting *operations of the company.*

Applicants for this senior position should be familiar with computerised accounting systems, foreign currency transactions, preparation of budgets, financial statements and statutory accounts. Duties will also include the administration of the Company's pension scheme and involvement with laasing and insurance arrangements.

If your experience covers all or most of these ectivities and you are looking to further your career with an internationally *respected company, we would like to hear from you.*

Please forward your resume, detailing experience to date and current salary to:-

Mrs. B. Languth, Personnel Manager
Monenco Associates Limited
York House, Bond Street
Bristol BS1 3LY.

MONENCO ASSOCIATES LIMITED

DOW — International Audit Manager

c £28,000 + Car + Mortgage Subsidy

Our client, Dow Financial Services Corporation, is the holding company of a US owned international financial services group, incorporating merchant and commercial banks, in the City and Zurich respectively, together with other Banking and Financial service activities in London, Hong Kong, Singapore, Malaysia and the Cayman Islands.

Development of their worldwide internal audit function has necessitated the appointment of a Chartered Accountant to assume executive responsibility at their recendy formed management company in London. Reporting at senior level, this managerial role will encompass the supervision and cootrol of international corporate review, involving some travel overseas.

Candidates, preferably graduates, will be aged 30-40, with previous exposure to the auditing of financial services activities. Personality is of prime importance, and applicants with the potential to contribute on a broad front to the group's profitable expansion, will be offered career opportunities in due course outside the mainstream audit function.

Candidates should write to Andrew Sales, FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref. 194, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

International Financial Management

Fisons is a major international group with a rapidly expanding Scientific Equipment Division, whose turnover—based on 10 major operating companies in the UK and overseas—is now in excess of £300 million.

We now wish to appoint a Regional Financial Controller to the Finance Department of our Divisional Head Office. Reporting to the Divisional Financial Controller, the successful applicant will be involved in extending and improving a sophisticated management information system throughout the Division, and will also have specific responsibility for supervising the financial affairs of certain companies.

This position demands a high degree of analytical ability and good communication skills. You will be required to undertake or assist in various special projects involving other departments of the Head Office and members of the operating companies.

The ideal candidate will probably be in their late 20's, with a degree and a major accounting qualification, in addition to a number of years' post qualifying experience—preferably within an international group engaged in manufacture or distribution.

You can expect a salary of c. £16,000 plus a car and the range of benefits you would normally associate with a major international group.

For an application form, please write with full c.v. to: Bill Craft, Personnel Department, Fisons plc, Scientific Equipment Division, Riverside Way, Uxbridge, Middlesex UB8 2YF.

FISONS Scientific Equipment

A direct line to the executive shortlist

InterExec is *the* organisation specialising in the confidential promotion of Senior Executives.

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For a mutually exploratory meeting telephone:

InterExec

London	01-930 5041/8	19 Charing Cross Rd. W.C.2.
Birmingham	021-632 5648	The Rotunda, New St.
Bristol	0272 277315	30 Baldwin St.
Edinburgh	031-226 5680	47a George St.
Glasgow	041-332 3672	180 Hope St.
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Candidates, male and female, please telephone Leeds (0532) 459469 (24 hour answering service) or write to David T Bentley, Senior Consultant, 3i Consultants Limited, Headrow House, The Headrow, Leeds LS1 8ES, for further details and an application form, quoting reference DB/519.

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We would like to talk to qualified accountants, preferably ACA, in their mid to late 20s, keen to join a small management team committed to expansion. It is essential that you bring to the role a positive "jackets off" approach and can lead a small department from the front.

Candidates of either sex should apply to:
Wain Powell, Eurochem Ltd.
54 Southway, Andover, Hants

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Accountancy Appointments

Financial Controller

Motor Trade — **Heathrow**

Circa £13,000 p.a. + Lease Car.

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Reporting to the General Manager, this position provides the opportunity to be involved in the financial planning and operational management of this new business unit.

Ideally, applicants will be young, qualified and with some experience within the Retail Motor Trade.

Career opportunities within the Parent Company are excellent and the position offers a highly competitive benefits package. Relocation assistance will also be available if required.

Interested candidates should contact David N. Johnson, Advisor to our Client, quoting Ref. No. 5029 at The Recruitment Partnership, Hibel House, 2 Hibel Road, Macclesfield, Cheshire SK10 2AB. Tel (0625) 618327 (24 hour answering service) Telex 587259.

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Due to dramatic growth, the Company is seeking to recruit a Financial Controller with experience in a Eurobond or similar trading environment. Responsibility will be for financial and management accounting, ensuring the effectiveness of internal controls and for the further development of management information systems.

Candidates should be qualified accountants, preferably graduates in the age range 27-35. Essential personal qualities include drive, determination and the potential to assume senior management responsibilities as the Company grows.

Please reply to Martin Manning in strict confidence with details of age, career and salary progression, education and qualifications, quoting ref. 1415/FT on both envelope and letter.

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These positions provide for a high degree of involvement with operating management and, as a result, possibilities exist for progression into wider commercial management, as well as within the finance function.

In addition to possessing a sound analytical mind and self-motivation, successful applicants must be positive, and persuasive communicators.

Interested individuals should telephone or write, enclosing a CV and a note of their salary, to Harry Chryssaphes BA, MBA, FCA at: **Financial Management Selection Limited, 21 Cork Street, London W1X 1HB (Tel: 01-439 6911)**

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All candidates (normally aged 30 or over) must be Chartered, Certified, Cost and Management or Public Finance Accountants or be eligible for admission.

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For further details and an application form (to be returned by 8 February 1985) write to Civil Service Commission, Alencon Link, Basingstoke, Hants, RG21 1JB, or telephone Basingstoke (0256) 468551 (answering service operates outside office hours). Please quote ref: G(1A)686/2.

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Applicants should apply in writing with full curriculum vitae to:
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Candidates, male/female, should send comprehensive c.v. to Denis Cummins or telephone for a confidential discussion and application form, quoting ref. 82/196.

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As a member of a small Board the Financial Director has a strong influence in the commercial operation of this multi-branch company. The company, part of a substantial British public group, is a leading supplier to the building and packaging industries.

The Financial Director will be responsible for a centralised accounting function including computer systems development, credit management and budgeting, plus negotiations with major suppliers.

Ideally, you should be qualified, in your early-mid 30s with the ability to motivate staff and with a strong desire to be more than a pure financial manager – able to assist and direct local management in running their own profit *centres.*

Please write to John P. Sleigh FCCA quoting ref: J/60/DF and giving a day time telephone number.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Accountancy Appointments

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Please telephone and send career details to:

GEORGE D. MAXWELL, Managing Director,
ACCOUNTANCY APPOINTMENTS EUROPE,
1-3 Mortimer Street, London W1
Tel: 01-580 7695 / 01-580 7739 (direct) 01-437 5277 ext. 281/282

Accountancy Appointments Europe

COMPANY ACCOUNTANT

from £15,000 plus car

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He/she should also be able to provide evidence of all-round experience of accountancy operations including product costing preparation and submission of final accounts with the operation of a fully effective management information system being of prime importance. The successful applicant should also have had experience and be able to demonstrate ability to work in a management team at senior level. It is essential therefore, in addition to professional skill, that the person appointed is able to contribute to the overall management of the company.

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Please forward your C.V. to:
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10-14 MACKLIN STREET
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(Please enclose a note stating any companies to which you do not wish your application to be sent)

(Recruitment Consultants)

Chief Accountant

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Deboo Executive
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South Wales,
salary negotiable £20,000 — £25,000 + car + benefits

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Male or female candidates please send detailed CV's to: *H. Davies.*
3A Hickman Road, Penarth, CARDIFF, *South Glamorgan. CF6 2AJ. Ref: 38002/FT.*

FINANCE DIRECTOR (DESIGNATE)

c. £20,000 CITY

This major firm of financial public relations consultants requires an outstanding candidate for an important role. As well as full responsibility for the financial and administrative functions and control of MIS development the successful candidate, who will be qualified, will be able to display excellent interpersonal skills and commercial experience at a senior level.

Please contact Graham Palfery-Smith quoting Ref. 189

ASSISTANT TO FINANCIAL CONTROLLER

To £18,000 C. LONDON

Our client, an independent British oil and gas exploration company based in C. London, wishes to recruit a number two to their Financial Controller. Candidates must be high-calibre graduate qualified aged in their late 20's. The job entails financial modelling, evaluations, special projects, joint-venture work, projections. Candidates must have a keen interest in micro-computers, some tax knowledge and a *mathematical* slant.

Please contact Robert Morgan B.Sc.

Badenoch & Clark
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16-18 New Bridge Street, London EC4V 6AU
Tel: 01-583 0073

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–heading for Financial Controllership

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Candidates, male or female, must be Chartered Accountants and have trained with one of the top professional practices. At least 5 years post qualifying experience in a supervisory audit role is essential. You will be expected to be fluent in French and have a high level of technical ability coupled with the effective interpersonal skills required to create a favourable impression with the operational management. Since this position is seen as a training ground for potential executives you are likely to be under 35 years of age.

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Detailed CVs including current salary should be sent to Alannah Hunt,
Price Waterhouse Associates,
Executive Selection Division, Southwark Towers,
32 London Bridge Street, London SE1 9SY.
Please quote reference MCS/6038.

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All applications are treated in complete confidence and will not go forward to our client without your permission.

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G.T. Walker. Ref: 42568/FT. Male or female candidates should telephone in confidence for a Personal History Form 0632-327455, *4 Mosley Street,* NEWCASTLE-UPON-TYNE, NE1 1DE.

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Our client seeks a commercially minded qualified accountant, preferably aged late 20's *to strengthen the financial* control of its European agencies.

In this fast moving and competitive business you will monitor their performance, undertake investigations and numerous ad hoc exercises and, where necessary, provide accounting assistance including computerisation. *In order to succeed* in this role providing an effective link between the agencies and head office, you must become fully *conversant with each one's business.*

If you have an adaptable approach, can communicate effectively and establish a rapport at all levels and want challenge, variety and the opportunity for European travel . . .

. . . Contact David Tod BSc, FCA on 01-405 3499 quoting ref: D/48/EF

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Chartered Accountant

For the Swire Group

This major International Group is seeking a young financial executive for its Head Office in London. The successful candidate *will report* to the *Group Financial* Accountant and will be responsible for the preparation of Group budgets and management accounts and will assist in the consolidation of Group statutory accounts and management information.

The requirement is for a newly qualified Chartered Accountant in the mid-twenties with the character, ability and perception to fit in effectively with the small management team.

A competitive salary is offered plus annual bonus and a car.

Write in confidence to:
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JOHN SWIRE & SONS LTD.
Regis House
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Finance Director Electronics Company

EAST ANGLIA

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The Role: *Finance Director to work closely with the Chief Executive* and be responsible for all financial control and management of the company. As the company approaches flotation, the Director will be involved with its merchant bankers and other professional advisors.

Qualifications: An experienced Finance Director who is a qualified Chartered Accountant is needed for this important position. A background working in a rapidly growing, high technology company is a *distinct advantage; experience of dealing with the City* and controlling overseas operations essential.

Compensation: A very attractive package of cash and stock options will be offered. This is an unusual and challenging opportunity.

Please write with full c.v. to:
Box FT/889, St. James's House, 4/7 Red Lion Court, Fleet Street, London EC4A 3EB.

THE ARTS

Willem de Kooning flanked by his sculpture Hostess and the canvas Untitled V, being shown at the d'Offay Gallery, London

Willem de Kooning/Anthony d'Offay Gallery

New York's Grand Old Man

Willem de Kooning is at 80 very much the Grand Old Man of American painting and—which is of rather more immediate interest—one of the few active survivors of that immensely influential school of painters from New York that, with Abstract Expressionism, took the art world by storm in the years after 1950. That claimed pre-eminence has lasted, grown even more secure in certain cases: it is not every artist who will live to see what he did at 50 change hands at 79 for a cool million dollars, and de Kooning himself has long been that rare case, as it were beyond criticism. Good artist though he is, his every mark and scribble and fumbling experiment is fallen upon with the greatest eagerness.

But what seemed then, those 30 years ago, so coherent and powerful a movement, that with one critical sweep had arrogated to itself the leadership of the avant garde, seems much less assertive and so much more interesting. Even the American critical industry, which does not always like to have its judgments questioned, has lately come to reconsider the matter, looking back first to those artists' earlier work (Pollock, Rithko, de Kooning and all) before they had ever "broken through into style," as the phrase had it, and then sideways at what was being done at the same time elsewhere, and taking a more generous and international view of influence, practice and effect.

The truth is that the New York School, like so many such conveniences, was something of a critical fiction, and none of the artists associated with it has been any the worse for taking his chances in a wider arena. For Abstract Expression was the remains no uniquely American manifestation but something rooted deeply in the European tradition; and now, with a vigorous figurative expersaionism once more the principal currency of the avant garde it is especially useful to see the recent work of an artist who has always been essentially the most European of American painters. Indeed, he studied painting in his native Holland before decamping to America in the mid 1920s, and more than any of the Abstract Epressionists held the bridge between abstraction and figuration. De Kooning's true peers do indeed seem more and more to be not only such post-war Europeana as Bacon and Appel but the expressionists of an earlier period, Kirchner and Jawlensky, for example, and Soutine, and Picasso of Les Desmoiselles d'Avignon and Guernica.

A small but fine group of paintings made since 1971, and some of the sculpture (which he took up at about that time) can now be seen at Anthony d'Offay (until January 31). The painting is figurative more by association and sugestion than by description, images that may be figures or landscapes there to be resolved imaginately by the viewer out of the rich welter of pigment that de Kooning lays so generously and freely across the surface, as if they were imagges to be conjured out of flames and smoke—or not: the choice is there to be made, the works to be taken as rather beautiful and mysterious flat, square objects, liberally covered with paint. Their physical presence is very strong, and so it is with the sculpture, though there the reference to the human figure is always more direct than explicit.

Willem de Kooning, published by The Whitney Museum, Prestel-Verlag and W. W. Norton (308 pages, 143 plates, 178 black and white, £35) gives us the full works, as comprehensive a study as we could want, with three useful if somewhat hagiographical critical and biographical essays, and copious and excellent illustrations.

William Packer

Waste/The Pit, RSC

Michael Coveney

John Barton's RSC production of Harley Granville Barker's *Waste* (1907) in the Pit proves as riveting as the Royal Court's mid-1960s revival of *The Voysey Inheritance* and the National's more recent *The Madras House*. The three best Barkers are restored.

Mr Barton has most skilfully interleaved the first, famously banned version (the Censor objected to the offstage abortion in the political context of a disgraced father, a rising Parliamentary star about to take his seat in a Conservative cabinet), and the 1926 version for a production that fell through.

If William Archer thought Granville Barker wrote slightly too much per scene, that caveat cannot be applied to Mr Barton's tidied up version. The writing is supple, tingling with energy, as we become embroiled in the case of Henry Trebell, an Independent MP devoted to his new cause of disestablishing the Church and directing new funds to an educational scheme. The build-up of the social world is careful, exact, amusing, the Act 1 women led by Eileen Page's musical salon manipulator, Trebell's devoted spinster sister (Maria Aitken) and Sylvia Coleridge's dottily majestic dowager.

The first of many echoes of the Parnell/Kitty O'Shea adultery saga occurs when the Irish Amy O'Connell flirts with Trebell and elicits an immediately sensual response in an empty room. Amy is married to a Fenian who distrusts her and whom the incoming Prime Minister has interned. A lustful liaison leads to disaster: Amy tells Trebell in Act 2 she is pregnant and, failing to stir in him any decent avowal of love or concern, she disappears to have an abortion. She dies, Trebell is disowned after a classic third act of political chicanery in a smoke-filled room, and he shoots himself.

The construction is brilliant. The fate of the doomed couple hinges on two letters. There are no onstage histrionics. You feel that Granville Barker really knew how politicians cut each other up behind closed doors, and Daniel Massey's Trebell combines qualities of gruff elegance and blinkered ambition that mark him out for stardom. His scenes with Judi Dench's Amy are superb: his stiff deportment shattered in a moment of cataclysmic lust while she sways, languidly around and through him, bearing the sadness of a woman scorched by an inadequate marriage.

The woman's right to chose in matters of childbirth would still place Granville Barker firmly in the black books of the anti-abortion lobby. But he goes further than that, subtly tracing through the entire action, more cleverly than Shaw ever did, the lot of the unemancipated woman.

It is difficult to get too worked up about Trebell's political issue: a play about Parnell and Gladstone's Home Rule objectives, obviously impossible at the time, would make more sense. But Barker compensates with marvellous scenes for Trebell and his cold fish episcopalian partner in reform Lord Cantelupe (wonderfully played by Charles Kay) and for the Cabinet fiddling a compromise first with the scowling Fenian widower (Bruce Alexander) then with their own survival instincts.

My one serious reservation concerns the choice of venue. *Waste* is not a studio play, nor does Mr Barton really direct it as such (handsomely abetted though he is by the settings and costumes of Christopher Morley, Louise Belson and Anne Sinclair). A nation fed on political sexual scandal from Dilke to Parkinson should flock in their thousands to such a piece; for its sanity, its cool and sceptical argument and, not least in this case, for its acting right down the order. Too brief a mention for Tony Church and Mark Dignam as political heavyweights and Tilda Swinton as the girl hitching her trailer to the unpromising wagon of Trebell's secretary.

Daniel Massey and Judi Dench in Waste

Lyric swan on a swamp

Ravenna Tucker made her first appearance as the heroine of *Swan Lake* on Saturday at Covent Garden and repeated her interpretation on Tuesday.

Roles are built and developed for a newcomer by experience as well as by coaching. Miss Tucker, with her gentle temperament and easy technique has, during the past year, made some exceptionally pleasing debuts: as Aurora, as the Sugar Plum Fairy and as Juliet. To this fine list we may now add her Odette/Odile. Her entrance in act two announced a Swan Queen of lyric delicacy, the movement softly flowing, the dance and Odette's distress of spirit set out in elegant terms, controlled in formal statement but never demure. There is a purity of outline, a sweetly expansive stretch to her style that may seem quiet in tone but is piercingly expressive in its youthful femininity.

These are precious qualities, and Miss Tucker's distinction of means did not desert her when faced with the bravura demands of the Black Swan duet. Her Odile was malign, but technical brightness had depth rather than mere sequin glitter. The fireworks—a beautiful *équilibre* held almost floating above the stage; clean double *fouettés* interspersing the first 16 of those whipped turns—shone brilliantly, but were displayed with a finesse which spoke of good artistic manners. In the final lake-side encounter her delicacy of pose, a sudden yielding to grief, were all the more potent because of their muted lyricism and the musical discretion which touches all her dancing. With Jay Jolley as an attentive and assured partner, Miss Tucker's interpretation marks yet another sure and graceful step on her way to ballerina status.

About the production one should, perhaps, show the consideration due to anything fallen on hard times and sadly debilitated. I simply record that its more distressing signs of decrepitude include dingy lighting and an ensemble so low-key in style that the first act waltz and trio looked as dim and unpromising as our snow-filled skies.

Clement Crisp

Bavarian Queen, timorous Spades

The new *Queen of Spades* at Munich is the fruit of the Bavarian State Opera's current policy of filling out existing repertory rather than exploring new areas. It enjoys the bonus of being sung in the original language and having several leading Soviet artists on its list of credits, but the staging bears many of the same qualities as the company's German-language *Eugene Onegin*, which it joins as one of the most dependable productions currently on offer at the National Theatre. If there is an element of disappointment, it is because the work's damatic current has once again been neutralised by the traditional trappings of its Romantic allure, making for a stage picture that is beautiful but excessively conventional.

The noteworthy aspect of the followed by another run in the spring) has been the quality of casting. Having seen Vladimir Atlantov's Hermann in a televised Bolshoy performance, I was prepared for the less than convincing displays of torment and passion, but quite taken aback by the unrelenting strength of the voice, which I would wage is better suited to this role than any other in all opera. He knows the part inside out, of course, and there is not a great deal of subtlety, but the sheer directness and consistency of vocal production over the soaring lines is astounding.

The two other Russian principals were Alexander Voroschilo as Tomsky and Elena Obrastzova as the Countess. I tend not to be an Obrastzova admirer—but again, I cannot imagine her better cast, for her solid looks and dark vocal colours are just right for the crabby old lady who embodies icy authority and patrician breeding.

The greatest pleasure of all, however, came from Julia Varady's Lisa, a reminder—after her equally exquisite Tatiana—of what a personable artist she has become. Her bearing conveyed the right blend of youthful purity and longing demeanour, and she held the stage with delicacy and complete sincerity. The voice is not big, but it is expressive and has a good range, and the fast vibrato conveys tenderness and vulnerability without obscuring pitch.

Apart from an undersung Yeletsky from one of the house ensemble, the rest of the cast gave excellent support, with an oriental tenor, Yoshihisa Yamaji, catching attention favourable as Chkelinsky. The orchestra contribution under *Algis Shuraitis, Obastzova's* husband, was distinguished by its natural pacing and a very musical control over the emotional temperature of the score.

Shuraitis and the stage director, Joakim Sharoyev, had been substituted by the Moscow authorities at three months' notice for the Soviet team originally scheduled to do the production, treatment which may not be as bad as Covent Garden's recent experience with its *Boris* revival, but which still suggests stony disregard for artistic values.

Sharoyev—backed by Georgy Meschischwili's elegant scene paintings—was content with faithful adherence to the letter of Chaikovsky's instructions. I could not help comparing this approach with the work of another Soviet director two Wolf-Ferrari's *I quottro rusteghi* which Yuri Lyubimov staged for the Bavarian State Opera two years ago. The different nature of the two operas is beside the point: The handling of *Queen of Spades* signified the safe "museum" school of operatic culture, whereas Lyubimov's highly individual treatment of the Wolf-Ferrari work, in which he takes it back to its *commedia dell'orte* origins, sparkled with the originality of a stylish re-interpretation. That, of course, is why he is no longer working in Moscow.

Andrew Clark

Roll on Friday/Southampton

Martin Hoyle

The Nuffield in Southampton has a vigorously enterprising track record among provincial theatres: London now is enjoying three shows that began life there—*Daisy Pulls It Off*, *The Hired Man*, and *Of Mice and Men*, the latter produced by the new artistic director, Justin Greene.

The latest offering—*Roll On Friday*, by Roger Hall—portrays the same caustic but warm-hearted observation that made the same author's *Middle Age Spread* the comedy of the year in 1979. Hall casts an affectionate, if unsparing, eye on an office in a "Government department in Wellington, New Zealand."

Never entirely predictable, his types are familiar enough: male menopausal Jim (Roy Marsden) (slightly too young, his family breaking up, his career grinding to a halt, resentful of immigrant newcomers. The latter is represented—startlingly, to a British audience — by Welsh Hugh (David Swift, admirably dowdy, impeccably Welsh, slightly too old), determined to be a New Zealander despite his wife's neurotic home-sickness.

Fat Beryl, devoted to her half-blind mother, is the wallflower who is not quite what she seems. The lower deck is completed by wise-cracking John, cynical but shrewd, and the wide-eyed teenager, Michael.

The Boss, whose promotion excites him to the giddy enthusiasm of remarking "It will boost my pension nicely," makes fleeting unloved appearances. Overalled Wally sees gloomily to the mechanical wellbeing of the office with interminable forms, requisitions, and a Kafka-esque obstructiveness.

Greene's production emphasises the oasis formed by breaks for tea, coffee and meals in the desert of office routine. At the clink of cups each worker rises from his seat, only to perch luxuriating in freedom on his desk. Such rituals help the gentle comedy to run its course ambiably.

The excellent cast includes Annette Badland, convincing both as adipose spinster and civil service adultress; and Jack Galloway, the sly John, as good-hearted beneath his veneer as all Hall's characters. Steven Macintosh, all coltish self-consciousness and virtuous primeness as young Michael, and Leonard Maguire's lugubrious Wally are exactly right. Only Jerome Willis seems unhappy with both the accent and the unpleasantness of the Boss.

The play would be delightful given the intimacy of television; on the stage, it needs more impetus.

Berio/Radio Three

Andrew Clements

Tuesday's concert from the Free Trade Hall, Manchester, relayed on Radio Three, made some amends for the almost total neglect in Britain of Luciano Berio's recent music. Given by the BBC Philharmonic, conducted by the composer, it included, alongside the familiar Sinfonia of 1969, the first complete performance of *Voci*, for viola and chamber ensemble, written last year.

Berio subtitled the new work Folk Songs II. Although the starting point for *Voci* was a collection of Sicilian folk melodies, supplied by the soloist in this premier, Aldo Bennici, it does rather more than clothe them in contemporary garb, integrating the tunes into a sustained, and quite profound, musical argument which lasts half an hour. Recognisable statements of the material are confined to the viola, while the instrumental group seems to strike off at tangents from it, sometimes remaining purely decorative, but often taking the music into quite unexpected, and disquieting areas, suggesting a dark undertow to the work which the breezy melodies cannot quite dispel.

At first hearing it did not seem a perfectly even work. There are passages when one melody follows too hard on the heels of another, and brings unfortunate memories of Bruch's *Scottish Fantasia*. Equally there are some special Berio images, such as the dizzy piccolo worrying away at a skirling viola tune, or the trumpet punctuating a pentatonic melody complete with "Scotch snap." Hearing it in conjunction with the Sinfonia—a brittle, bright-toned account with the New Swingle Singers—underlined Berio's continued ability to make surreal juxtapositions of unrelated musics.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Exhibitions

Jan 11–17

ITALY

Rome, Villa Medici (French academy): Degas and Italy. A gracious recognition by the French Academy of the importance of Italy to the work of one of the greatest artists of the 19th century (this year is the 150th anniversary of Degas's birth). The exhibition follows Degas's principle that preparatory drawings should be shown with the finished work. This has been done here with three remarkable paintings: the portrait of the Bellelli family (with its echoes of Piero Della Francesca). The works cover the period 1856-60. Ends Feb.10.

WEST GERMANY

Cologne, Römisch-Germanisches Museum: 'The Treasures of San Marco' has arrived. Forty-three pieces representing the best of antique, Islamic, Byzantine and occidental art from the world's biggest church treasure. Ends Jan 27.

Hamburg, Kunstverein, Glockengießerwall: Fifty-five paintings, water colours and gouaches by Edvard Munch, the Norwegian painter (1863 to 1944). Ends Feb 2.

Hannover, Forum des Landesmuseums, 8 Am Markte: Berlin Art between 1770 and 1930 has 200 bronze, gypsum, ceramic and china sculptures by artists ranging from Gottfried Schadow to Georg Kolbe. Ends Feb 17.

PARIS

Kandinsky: 70 paintings, many on loan from the U.S., Germany and Holland, are complemented by Nina Kandinsky's legacy of 700 drawings and sketches, by his correspondence, his library and his own collection. The vast retrospective, the most important in Paris since 1963, retraces the different stages in his creation: Munich, the Bauhaus and finally Paris. Centre Georges Pompidou, closed Tuesdays. Ends Jan 28. (277 1233).

VIENNA

Medieval Art from Serbian Monasteries: This exhibition from Yugoslavia of religious art from Serbian Medieval Monasteries covers the period from the 10th to 17th centuries and includes some intricately worked silver book covers, chalices and incense burners. Gilded icons are also of interest, showing a surprisingly modern angular technique in depicting garments. Other exhibits include illuminated manuscripts and copies of frescoes, and all show a fascinating intermingling of eastern and western artistic influences. Museum of Mankind. Ends Jan 20.

NETHERLANDS

S. Jessurun de Mesquita: Prints, drawings and decorative designs trace the career of this exponent of Art Nouveau who managed to combine simplicity and crispness of line in his woodcuts of people and animals with the bizarre extravagance of the "sensitivistic" drawings – fevered caricatures with a surrealist tinge. Amsterdam, Jewish Historical Museum. Ends March 10 (closed Mon). A smaller exhibition of the sensitivistic drawings runs concurrently in Rotterdam, Boymans-van Beuningen Museum.

CHICAGO

Museum of Contemporary Art: Celebrating the foresight of local collectors, Dada and Surrealism in Chicago Collections includes more than 300 works by Dali, Ernst, Magritte, Miro, de Chirico, in mixed media including sculpture and photographs as well as paintings and drawings. Ends Jan 27.

TOKYO

Ceramics of East and West (Idemitsu Art Gallery): This exhibition highlights 17th and 18th century fine ceramics in Japan and Europe, including Japanese Arita ware, Delft from Holland and Meissen from Germany. Particularly interesting is the influence of these various wares on each other, the result of trading of the period. Shards of Chinese and Japanese pottery excavated outside Cairo are also on display. This museum, on the 9th floor of the Kokusai Building in Hibiya, near Imperial and Palace Hotels, commands an excellent view over the Moat and Emperor's Palace in the centre of Tokyo. A relaxed atmosphere enhanced by the serving of Japanese tea. Ends Feb 3.

Television/Raymond Snoddy

Dallas shootout

THE BBC yesterday accused Thames Television, an independent commercial company, of starting a programme price war by "poaching" Dallas, the long-running U.S. oil industry saga which has up to 14m viewers in the UK every week.

In a plot which would do credit to J.R. Ewing, hero of the soap opera which regularly figures among the BBC's 10 most popular programmes, Thames has bought rights to all future series of the programme.

Mr Michael Grade, controller of BBC, which has shown Dallas since 1978, said the BBC had been given four working days to agree to a price of £54,545 an episode, against the present £29,000.

Thames' purchase apparently breaches a "gentlemen's agreement" that UK broadcasting organisations do not drive up the price of Hollywood purchases by poaching series already running on rival screens.

The deal by the London weekday company has drawn fire not just from the BBC but from elsewhere within the independent television (ITV) network.

Mr Paul Fox, managing director of Yorkshire Television, and chairman of the film purchasing group of the ITV companies association, said last night: "I am not happy about the way Thames has done this."

Mr Fox said such a thing had not happened for more than 10 years. "We could have had Dallas three years ago but we decided against it. We will not poach series that have been running on the BBC because it leads to a ridiculous price war."

Thames said last night they had not poached Dallas and had been approached by the distributors after the BBC had refused to pay the price asked.

"It's not poaching when the rabbit comes and offers itself to you," said Mr Donald Cullimore, director of public relations at Thames. He claimed the BBC was already paying more for Dallas than it publicly admitted but he refused to say what Thames was paying.

The BBC has a J. R. trick up its sleeve. Michael Grade has still to show 17 episodes of the current 26-part season. He has the right to show them any time between now and summer 1986.

"It is a serial and there's a bit of a hole in their story," said Mr Grade with a Dallas-style grin. And just in case anybody missed the point, he added: "I would like to see Hill Street Blues and the A Team on the BBC and I have more friends in Hollywood than them."

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
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Thursday January 17 1985

Brazil's new president

SR TANCREDO NEVES thoroughly deserved to be chosen as Brazil's first civilian president after 21 years of military rule, and this has been reflected in Tuesday's overwhelming endorsement of him by the electoral college.

He is a highly experienced politician who at the age of 74 has the advantage of being able to place patriotic needs above personal ambition. Moreover, his sense of compromise and lack of vindictiveness are the qualities necessary at this moment to steer the country towards a fully fledged democracy and to cope with the huge $100m foreign debt and its attendant economic problems.

In contrast his opponent, Sr Paulo Maluf, risked polarising the country with his abrasive manner, his close identification with the Sao Paolo Lebanese business community and his wheeler-dealer reputation.

The military, who steadfastly refused to allow direct presidential elections for fear that the process might get out of control were initially very wary of Sr Neves. His opposition Democratic Alliance party contains a number of leftists whom the military had previously persecuted for their views.

Understanding

In the past few months the generals have come to an understanding with Sr Neves. He has promised not to carry out any witch-hunt of the military for past crimes; he will follow the broad lines of the outgoing Figueiredo administration's policies. In return the military will not interfere with the process of *obertura* which will lead to a reform of the constitution, a shake-up in the political party system, and direct presidential elections.

To some extent President Figueiredo has been the victim of his own achievement. He promised to lead Brazil back on a gradualist path to democracy. But once he had created a climate of stability and liberalism, the country's political institutions appeared increasingly out of step with Brazil's mood. For the past year he has been in the position of a man who has outrun his usefulness; he appeared to lose interest, creating at times a dangerous sense of drift. This should not, however, detract from his success in presiding over an extraordinarily sophisticated transition process which goes a long way to making up for the crude manner in which the military took over the country in 1964.

Since *last November*, Sr Neves' advisers have been in close contact with the government. This should enable the new team to *be familiar* with the main problems before taking office in March. The most pressing issue is the economy. Sr Neves has the comfort of a strong trade surplus and an important measure of goodwill both from the international banks and the International Monetary Fund. But he has inherited a public sector deficit which is far too high and inflation of 230 per cent, which looks as though it is accelerating out of control.

Expectations

Against this bleak picture he has to balance popular expectations. Real incomes in the past three years have fallen 20 per cent and urban unemployment has risen sharply. He will be under pressure to satisfy, at least in part, demands to ease curbs on wages and stimulate growth.

These conflicting pressures must raise doubts about his ability to take on board, in their present form, the outgoing administration's commitments to the IMF and the international banks. For domestic political reasons he may have to seek changes. Any arrangement contracted between now and his March inauguration—specifically the current debt rescheduling talks in New York—will have to reect these realities if it is not come unstuck.

Sr Neves has in mind a social contract which involves limits on wage increases against the promise of public sector investment. The support which he enjoys from labour will be helpful, but his election has raised expectations which will not be easy to dampen.

Lost opportunity in retail banking

THE BILL to turn the Trustee Savings Bank (TSB) into a public limited company successfully negotiated its second reading in the House of Commons earlier this week. The scene is set for the final stage in the TSB's gradual transmogrification from 19th century philanthropic savings institution to thrusting free-enterprise bank. The timetable for the flotation of TSB is still uncertain but the most likely date remains next winter.

The conversion of the TSB into publicly-owned bank is defended by the Government on two main grounds. First, the development and diversification of the TSB in the last decade mean that its obscure legal status—it is technically owned by nobody—must be cleared up. Second, as the Government argued in its recent White Paper, the Bill, coupled with other plans of the TSB's chairman, Sir John Read, "will be of wider benefit to the economy because it will increase choice and competition in the financial sector and in particular in retail banking."

The TSB's present legal standing is unsatisfactory but it is much less clear that the only or even the best resolution of the ownership issue is conversion into a public limited company. Britain already has four very large joint stock clearing banks which have often been slow to respond to customers' needs. Mr Ian Stewart, the Treasury minister responsible, may argue in Parliament that he hopes the clearing banks will in future, in some respects, become more like the TSB but the odds must be that, *if the TSB adopts* an identical corporate structure, it will in time become a carbon copy of the other clearers.

Flotation

The TSB's senior management and the *Treasury seem* in no doubt that a public flotation is the only rational option. But the TSB's unique history, the ethos of mutuality which has governed the organisation for 200 years and the fact that the majority of its depositors come from the lowest socio-economic brackets suggests that with goodwill and ingenuity a more imaginative corporate structure might have been devised. Given the TSB's long-standing links with the labour movement, it is perhaps surprising that the Labour Party has taken so little interest in the TSB—in Parliament this week, the Opposition front bench abstained rather than voted against the Bill which will turn it into a fully-fledged free enterprise bank.

It may be that in a fast-changing financial landscape the formal mutual status enjoyed by building societies would not serve the TSB well. The accountability of management is weak in such organisations. But other options such as a workers' co-operative or ownership by employees and depositors might have had advantages in view of the TSB's heritage. It would have been fascinating to see how efficiently such an organisation would have competed against the big four clearing banks. The Government's caution and commitment to traditional forms of free enterprise have prevented any form of experimentation.

Competition

The Government's second claim that the TSB Bill will stimulate "choice and competition" in the financial sector is not entirely convincing. The fact is that despite its curious quasi-mutual form, the TSB appears to have been well-managed in the past decade. Indeed, Grieveson Grant, the stockbroker, was unusually fulsome in its praise in a recent circular. "The TSB," it said, "is one of the greatest success stories in the history of banking." The management has welded a motley crew of 70 or so regional savings bank into a unified group whose interests include mortgage and commercial lending, car rental, insurance and instalment credit.

With its imaginative marketing and strong underlying balance sheet, the TSB has been providing strong competition for the big four clearing banks — especially in retail banking. The hope must be that following flotation the TSB will prove an even tougher competitor. But there is also the danger that the sudden injection of about £1bn in cash from the share sale — an unprecedented expansion of the liquid resources of a big company — will disrupt the steady progress. With the cash to buy virtually anything and with shareholders clamouring for instant profits, the TSB's senior managers will need to display the caution and prudence of the organisation's original founders.

U.S. DIVESTMENT FROM SOUTH AFRICA

The threats get tougher

By Reginald Dale, U.S. Editor in Washington

THIS MONDAY Senator Lowell Weicker of Connecticut became the first U.S. Senator—and a Republican at that—to be arrested for demonstrating against apartheid outside the South African Embassy on Washington's Massachusetts Avenue.

It was an indication of how U.S. attitudes towards South *Africa are changing* that the event was not regarded as very big news. The liberal Mr Weicker was the 190th on a long list of prominent personalities to have been taken into custody outside the embassy in a non-stop daily protest that is now entering its eighth week.

His gesture was the latest symbol of the breadth of the growing nationwide anti-apartheid movement that has become increasingly vocal in its questioning of the Reagan administration's policy of "constructive engagement" with South Africa. This movement is now strongly pressing U.S. business to sever its links with the country and calling for economic sanctions.

The latest protests have not yet achieved much in concrete terms. But they have succeeded in putting the Administration and many large companies on the defensive and heightened the chances of some sort of legislative action against South Africa in the new Congress that gets down to business next month.

Apart from Senator Edward *Kennedy's* highly *publicised* trip to South Africa last week—denounced as self-seeking by his many critics in the U.S.—the most visible part of the protest in the last two months has been the initially black-led embassy demonstration.

The anti-apartheid campaign, however, is very far from being of concern only to blacks or to politicians in search of their votes.

The most striking of the recent protests was last month's letter to the South African ambassador from 35 Republican members of Congress, mainly young conservatives, who said that they thought it would be harder for Pretoria to shrug off protests from conservatives than from blacks or Liberals demonstrating in the streets. They warned that they would support diplomatic and economic sanctions if there was no progress towards "*guaranteeing civil rights*" in South Africa.

The Washington protest: a leading trade unionist and two Democratic Representatives are warned by police moments before their arrest outside the So uth African Embassy

There are many more straws in the wind. Last week, 29 Congressmen introduced legislation to prohibit U.S. exports of computers, and military and police equipment to South Africa, with the avowed aim of reducing "brutality and violence against the people of South Africa." This week, the black congressional caucus demanded the release of the names of American companies that have *bought enriched* uranium from South Africa, suggesting that in doing so they had strengthened white minority rule.

Quite separately from the moves in Congress, a nationwide "divestment" campaign for the withdrawal of all American assets from South Africa is gathering pace. Five states—Connecticut, *Maryland, Massachusetts, Michigan* and Nebraska—have passed divestment laws barring investment of pension or other state funds in companies doing business with South Africa. More than a dozen cities, including New York, Washington, Boston and Philadelphia, have done the same and more states and cities are expected to follow suit this year.

Of the 350 or so American companies operating in South Africa, more than 200 have *significant investments* there, with a book value of $2.3bn—about 1 per cent of total U.S. investment abroad—according to the U.S. Chamber of Commerce. The figure has declined from $2.6bn in 1981, although that may be due as much to economic problems in South Africa as to the protest movement in the U.S. Other estimates put overall American *investment*, including loans and gold stocks, at $14bn.

Faced with the new momentum behind the divestment movement, the companies, including Ford, General Motors and Mobil, are beginning to fight back, organising corporate committees and lobbying groups. Many companies do not, however, want to be publicly identified with the campaign, for fear of being tarred with the brush of Apartheid.

The companies, like the *Administration*, argue that pulling out of South Africa is not going to end apartheid and will only hurt blacks the most. It would put an end to any chance of the companies exerting a beneficial influence.

Almost 130 U.S. companies *have now subscribed* to *the so-called* Sullivan principles, first advanced eight years ago by the Rev Leon Sullivan of Philadelphia, which call for wage increases, improved training and housing for black workers, and an end to segregation in the workplace. Last month, about 120 companies agreed to strengthen the principles by pressing for broader changes in South African society, including the repeal of all apartheid laws and policies.

The activists, however, argue that such measures affect only about 1 per cent of the labour force and are not going to end apartheid. *They believe* that *the* companies are simply saying that they will step up their efforts as a public relations manoeuvre to head off pressure for divestment.

The American labour unions are now also planning to deploy more firepower in the battle, particularly as the realisation spreads that cheap labour in South Africa may be costing American jobs. In addition to calls for divestment and boycotts, the AFL-CIO, the country's largest labour federation, this month urged the International Labour Organisation to set up a special commission to investigate "the appalling conditions of black labour" in South Africa, along the lines of past ILO enquiries into Poland and Chile.

The most important test for the anti-apartheid movement, however, is likely to come on Capitol Hill, where the Democrat-controlled House passed a package of four sanctions in 1983, including bans on further bank loans to or investment in South Africa and an end to the import of gold Krugerrands.

The *measures foundered* last October following opposition by the Republican-led Senate. But something very like them is almost certain to be introduced in the House again in the coming weeks, and Sen William Proxmire, a Wisconsin Democrat, has pledged to do the same in the Senate.

—The new Senate is probably marginally more liberal than its predecessor, and Mr Proxmire forecasts that his Bill will pass. Perhaps more importantly, the recent protests have succeeded in changing the climate of debate into one in which South Africa has *increasingly few public defenders*.

It is too early to tell what Congress will decide, but the protests show no sign of slackening. As Mr Randall Robinson, one of the organisers, said this week: "People can hardly wait to sign up to demonstrate. We've got not only liberals but lots of conservative republicans . . . Apartheid happens to be a particularly galvanising thing."

WHY PRETORIA FEARS AN EXODUS

THE SUDDENNESS with which the world's spotlight has focused on South Africa's Apartheid policies in recent months and the emergence of a vociferous disinvestment lobby has shocked the South African Government.

Ironically, the argument that U.S. and other foreign *investment* in South Africa is tantamount to giving aid and succour to an immoral and repugnant regime has reached a pitch overseas at precisely the same moment as an influential section of the South African business community has come to its own conclusion that Apartheid is incompatible with the needs of an increasingly sophisticated free enterprise economy.

For decades cheap and docile black labour *was* a key element in the high profits made by foreig nan dSouth African companies alike.

U.S. companies alone are estimated to employ 150,000 *South Africans, the majority* black or coloured. Together with their families, at least 600,000 South Africans are directly dependent on a continuing U.S. presence and at least double that number are linked to employment by foreign companies as a whole. Despite South Africa's political isolation, the economy is heavily dependent on foreign trade, which accounts fo rbetween 60 and 70 per cent of the GDP. South *Africa* is a *major market* for industrial goods as well as a vital supplier of strategic minerals, gold, diamonds and (in goods years) food to its black African neighbours.

But it is precisely the emergence of *South Africa* as a regional economic super power which has underlined obsolescence of its radically obsessed political system and created an increasingly well-paid and *skilled* black urban labour force with increasingly influential trade unions. Blacks are poised to constitute a consumer market equal to if not greater in size than, that of the still much more highly paid, skilled and privileged whites.

Despite the publicity given to the disinvestment lobby, the practical effect so far has been limited mainly to the sale of shares in companies active in South Africa rather than the sale of their assets within the country. What limited asset sales have taken place have been almost entirely for business or financial reasons.

The merger of the financial and commercial rand in February 1983, for example, was a factor in the sale later that year by Associated British Foods of its 20 year, 52 per cent stake in the Premier Group. *In 1984, BICC* sold its 58 per cent stake in Scottish Cables to a South African company Powertech for R12.5m, the U.S. Kennecott group sold its Carborundum abrasives company to the South African construction group Murray and Roberts and ICL, the British computer company, sold offs its residual 27 uper cent stake in the ICL EF finance subsidiary. All these were strictly business deals.

In the auto business, companies like Ford and General Motors are also taking a hard look at their South African operations in the light of the steep drop in car sales and need to rationalise the indusket several years ago and Leyland has also been cut down by attrition.

Fierce critics of apartheid like Bishop Tutu frequently complain that anti-apartheid *forces are constantly being* urged to advocate non-violent methods of opposition yet are prevented from openly advocating disinvestment, a non-violent measure, by existing legislation. This makes it difficult to gauge the support of the emotional commitment to disinvestment among blacks, but it does not appear to be widely supported in the trade union movement and is actively opposed by the small but growing body of black businessmen.

Black unions are well aware that foreign companies are *amongst* the *mos* progressive employers of black labour and most committed to supporting trade union rights as part of adherence to the Sullivan and other codes. The very decision to legalise black trade unions in 1979 was taken partly at least under the combined pressures of foreign and domestic business which recognised the need for orderly labour negotiations and the rising power of the black consumer.

The most positive aspect of the disinvestment campaign and the visits of prominent U.S. politicians like Senator Edward Kennedy and the expected visit next month of the Rev Jesse Jackson, is that it has given added weight to the arguments of leading South African businessmen like Harry Oppenheimer, Mike Rosholt of Barlow Rand and *Tony Bloom of Premier* Foods that political reform of the Apartheid system is the only way to head off a potentially damaging exodus of foreign firms and increasing difficulties in foreign markets for South African companies.

Anthony Robinson in Johannesburg

Men and Matters

Sultan in Park Lane

The Sultan of Brunei already has a permanent suite at London's Dorchester Hotel, which he bought yesterday for £40m, though he only visits Britain "*just once in a while.*"

Sir Muda Hassanal Bolkiah, the 38-year-old ruler of the oil-rich strip on the northern coast of Borneo, was last in London for a couple of days in December when he may well have decided to pick up the Park Lane hotel with the rest of his shopping.

If so, he did not bother to tell his officials in the UK. "We heard the news on the radio this afternoon," said one. "We were quite surprised."

But then the Sultan is answerable to nobody. When Brunei got full independence a year ago, the hereditary ruler *also became prime minister*, finance minister and internal affairs minister.

And £40m is but a flea-bite for a man who has, more or less, £3bn in oil revenues a year at his disposal.

Bolkiah lavished some £300m last year on a 350-acre, 2,000-roomed palace, with 22 carat gold domes, and air-conditioned stables for his polo ponies.

He also has a fleet of 110 cars, pride of which is a long-wheel-base Rolls-Royce with six doors.

But the Sandhurst-educated Sultan—an honorary captain in the Coldstream Guards—has spread the money in other directions as well. Brunei has free education, a free health service and no income tax.

And since removing some £3bn investment funds from the Crown Agents in 1983, he has been taking investment advice from Morgan Guaranty and Citibank.

He has recently been moving the country towards Muslim Fundamentalism — banning mixed bathing and prescribing modest dress for women. And everything in Brunei closes at 9.00 pm.

"A select committee of MPs today recommended that the motorway speed limit be raised to 80 mph . . ."

Cable stitch

Jon Davey, who yesterday became the first director-general of the Cable Authority, was everybody's favoured candidate for the job. He was secretary to the Hunt inquiry into cable television and had a considerable influence on the shape of last year's Cable and Broadcasting Act. Who better to try to make a reality of the Government's plans?

After 26 years as a Home Office civil servant, it is a case of third time lucky for Davey.

In the 1970s, he was *assistant* secretary to the Franks Committee on Official Secrets. Its main recommendation — the repeal of the 1911 Official Secrets Act—was ignored.

Then he was secretary to the Williams Committee on Obscenity and Film Censorship. Its call for a thorough reform of the obscenity law immediately began gathering dust.

"I am very glad at last to have been associated with a report that has been implemented," says Davey, who beat 43 other candidates to the job. He recognises that cable has short term problems but he has no doubts at all about its long term future.

Davey is not saying how much he will be paid. But unlike his chairman, he is not getting pay parity with his opposite numbers at the BBC and IBA.

GEC's golds

Another five GEC technologists are to be awarded the company's Nelson Gold Medals, the first of which were presented, with Lord Weinstock's blessing, last year for personal contributions to the company's progress.

Criticism that the first winners were rather mature chaps has been allayed this time by the inclusion of Dr Steve Cundy, a 41-year-old *physicist* turned businessman, and Dr James Wimmers, aged 33.

Cundy, an energetic and vocal enthusiast for "light pipes," who pioneered GEC's research on optical fibres in the early 1970s, became managing director of GEC Optical Fibres when it was set up in 1982. Since then he has boosted productivity *six-fold* and *sales* ten-fold.

Wimmers is the first member of GEC's overesas staff to get a medal. He is an American who works for the aerospace division of Cincinnati Electronics, a GEC-Marconi subsidiary. His inventions have flown on the Space Shuttle and will fly on a spacecraft that will photograph the planet Jupiter.

Polish-born Boleslaw Sosin, who developed the Marconi communications systems used by both the Royal Navy and the U.S. Navy, and chemist Ian Green, who also played a major part in the development of optical fibres, are other recipients.

The fifth is Paul Morton—"One of the best applied mathematicians in the company, if not in the country," says Prof Derek Roberts, GEC's technical director.

Among Morton's achievements was a mathematical solution to a vibration problem that once *threatened to shake* the electricity supply industry's standby gas turbines apart.

Cut-throat travel

Long, leisurely cruises across the Pacific to Bali must be most people's idea of romance and adventure. But for 500 holidaymakers on the Hong Kong registered liner Coral Princess there has been more adventure than they bargained for.

News flashes yesterday said the 10,000 tonne ship had been boarded by Philippine pirates as it steamed back from Bali. Pirates are still commonplace in parts of the Pacific and are infamous in the Sulu Sea between Eastern Malaysia and the Philippines. But they normally prey upon fishermen or, recently, families fleeing from Vietnam. Attacks on international *cruise liners* are distinctly unusual.

It turned out that a group of armed Filipinos had tried to board the vessel, intent on stealing what they could. But there were just four of them and they mounted their assault in a canoe.

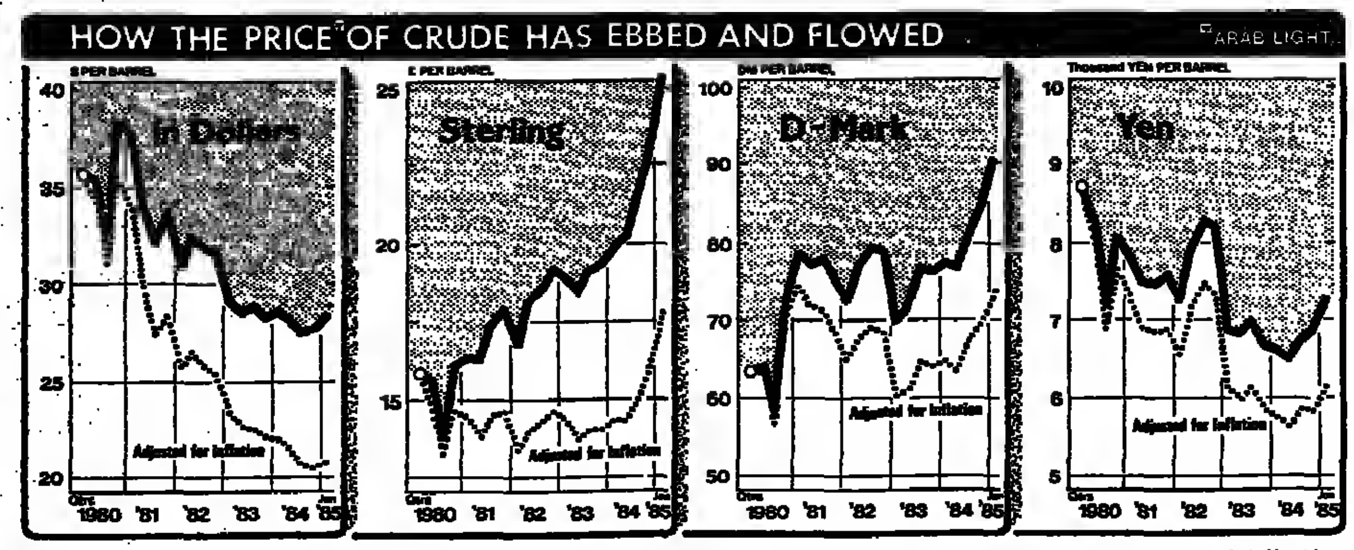
Coastguards arrested them before any damage was done.

Woman's rights?

"Premier plans rights issue" was the message on the financial tape yesterday. Did this mean Mrs Thatcher had found a novel solution to the problems of the Pound?

But no: Premier Consolidated Oilfields was simply going about its business.

Observer



Bob Hutchison

Mixed blessings of cheaper oil for the world economy

By Anatole Kaletsky

WHAT would be the impact on the world economy of a fall in tha oil price? If ever there was a role for President Harry Truman's fantasy of a one-armed economist — a man who would never hedge his comments with an "on the nther band" proviso — this question would appear to provide it.

Few economists, even of the normal, ambidextrous variety, would dispute thet the 15-fold increase in oil prices since 1973 has been an unmitigated evil. Even in many of the oil-producing countries, the most lasting conseqnences of the two oil shocks have been the collapse of domestic non-oil industries and a semi-permanent state of financial crisis.

The problems have been exacerbated further by what has been called a "third oil shock," resulting from the soaring valne of the dollar. This has negated all of the benefits for Europe and most of the gain for Japan from the cut in official oil prices in March, 1983.

It is tempting to conclnde, after all these headaches, that a fall in oil prices would be an unqualified boon to the world economy; that, in effect, it could reverse the worldwide spiral of inflation and *stagnation set off* by the original oil crises. This general view eppears to be held today by the governments of most industrialised countries, incinding even oil-exporting Britain.

At far as it goes it is probably right. *Unfortunately—the two-*handed economist is bound to add—it does nnt go nearly far enough. Lika Humpty Dumpty, the world economy cannot simply be restored to its pre-oil shock state by reversing tha process which knocked it off course.

Considered from a truly worldwide perspective, there would be no direct gain simply from reversing the transfer of 4 per cent of the world's GNP from oil consumers to oil prodncers, which has occurred since 1973.

This does not imply that the catastrophic impact of the oil shocks on the world economy was somehow illusory, only that they were due essentially to three indirect effects.

The *redistribution of income* from oil consumers to Opec led temporarily to a sharp and deflationary fall in worldwide consumption because Opec was slower to spend its windfall than oil consumers were to cut their purchases.

Second, the hike in oil prices set off inflationary spirals which governments had to check through deflationary macro-economic policies;

Third, the surge in energy costs transformed the structure of world demand and relativa prices, undermining the profitability of energy-intensive industries and rendering many products, prodnction processes and capital goods obsolete.

Nona of these processes will automatically ba reversed by a fall in oil prices, although it is likely that policies to reverse the first two et least could be designed and could confer big benefits on some parts of tha world economy. To see who would benefit and how, it is necessary to consider separately each of the main blocs of oil consumers and producers:

● The most important such *bloc is that of* the 24 industrialised countries which belong to the Organisation of Economic Co-operation and Development.

On the most favourabla assumptions about economic policies and Opec's ability to maintain its imports, a 20 per cent cut in oil prices — which would take the dollar price down to about $22.50 and the price in D-marks back to the DM 72 level of March, 1983 — would raise the OECD's area's Gross Domestic Product by 1.8 per cent after two years. Assuming that domestically produced energy prices gradnally adjnsted downwards in line with the oil markat, the general price level after two years would be 2.8 per cent lower.

However, the OECD's approach reveals some other, less appealing, possibilities.

It is conceivable that OECD governments might choose to cut fiscal and monetary targets in line with the fall in oil prices, on the grounds that this would preserve the levels of public spending and money supply in real terms. Theyk could also protect their domestic energy producers from the impact of lower-priced oil, perhaps in pursuit of energy conservation or because lower natural gas and coal prices might cut into government revenues or raise subsidies. If governments chose these options, a 20 per cent cut in oil prices would add only 0.2 per cent to OECD output in the first year, with no further gain beyond, while prices would fall by a mere 0.6 per cent in the first year, and 1 per cent in tha second.

● In Britain, the one major *OECD country which is also an* oil exporter, government policies would be uniquely important. For Britain, alone among the industrialised countries, would *suffer an increase* in inflationary presures if oil prices declined: the impact on retail prices of a fall in sterling would tend to offset all of the anti-inflationary benefits from cheaper oil.

The dilemmas for Britain are indicated by two recent projections—by the London Business School and Data Resources — which are based on contrasting assumptions about the Government's policy response. Simplifying and standardising their results to illustrate the impact after three years of a 20 per cent cut in oil prices, LBS assumes a slight monetary and fiscal retaxation and an immediate fall of 13 per cent in sterling. This raises GDP by 1.1 per cent after three years; but also leaves retail prices 5.1 per cent higher than they otherwise would be. Data Resources assumes a tightening of macro-economic pollcies, which limits the pound's depreciation to about 7 per cent, spread over *two years. These tough policies,* according to Data Resources, would limit the inflationary impact to 0.8 per cent after three years, but would also rednce GDP by 0.3 per cent over the period.

Some forecasters ere much more sangulne. Simon and Coates, for instance, have predicted a 1.8 per cent rise in GDP and only 1.2 per cent higher prices after a 20 per cent cut in oil prices. Nevertheless, all seem o agree that, in principle, cheaper oil will tend to raise both growth and inflalionery pressures— inevitably, bere will be an awkward dilemma for the Government.

● Turning to the developing countries, the need for appropriete pollcy response to lower oil prices becomes even more acute. As a group, the developing countries, excluding the oil-rich desert nations of the Middle East and North Africa are slightly better than self-sufficient in oil production. Thus the main impact of lower oil prices on the Tbird World as a whole would come from the spUtover of higher growth in industrialised countries.

This could be a very big benefit: if the OECD countries could generate a 1.8 per cent improvement in output over the two years following a 20 per cent oil price cut, developing countries as a group could probahly expect a roughly equivalent boost.

For individual developing countries, however, the issues are much more complex,

● Among the debtor countries, the financial deterioration in oil exporters like Mexico, Venezuela and Nigeria would more than offset the gains for oil importers like Brazil and Chile. For the 21 biggest debtors as a whole, calculations by Morgan Guaranty Trust suggest thet the current account by 1990 might be $30bn worse and total debts $135bn higher if oil prices fell by 20 per cent. Mexico's current account would be $8bn worse by 1990, while Brazil's would improve by only $4bn.

Thus, a sharp fall in oil prices could potentially pose a serious new threat to the international financial system, particularly since banks would not consider that Nigeria'a credit worthiness, for example, was enhanced by an improvement in *Brazil's current account. Deal*ing with this, however, should not be beyood the wit of the IMF end monetary authorities. Furthermore, if the OECD managed to generate a better growth performance on the back of felling oil prices, the benefits of higher non-oil trade could well compensete those oil-producing debtors, like Mexico, which are also significant exporters of manufactures.

● Finally, we must consider the Opec couotries which ere almost entirely dependent on oil for their incomes. In the short run, there would be no avoiding a major loss of revenue, probably leading to further finsncial crises in several Opec countries.

Within a year or two, however, even Opec could possibly begin to reap some benefits from a moderete fall in oil prices. Nobody knows just bow much the demand for oil might rise in response to lower prices, but some estimates suggest that a 20 per cent price cut could raise oil demand by roughly 6 per cent after two years, and perhaps as much as 10 per cent after five years.

If Opec could gain for itself the whole of this increase in oil demand—a reasonable assumption, sioce non-Opec producers are already pumping their maximum output — this 6 per cent rise in worldwide oil demand could translate into a 16 per cent increase for Opec.

Opec's poorest marginal producers, like Nigerie, could gain even more, if Sandi Arabia agreed to forfeit some of its share of extra output.

It is perfectly possible, therefore, that even Opec conld ultimately gain from a moderate fall in prices: a fact which the cartel implicitty acknowledged when it cut its prices in 1983, only to find them boosted egain by the soaring dollar.

The problem for Opec is that oil-importing countries could judge cheaper oil to he a temporary phenomenon. They could respond to a price cut by *raising energy taxes,* instead of passing the beoefits to consumers and accepting higher oil imports. This would only intensify the financlel pressure on Opec and raise the possibility of a total collapse of the cartel, pushing the cost of oil to its only natural floor in a competitive market — the cost of producing an extra barrel in the Middle East. And the consequences of that — for financial markets, industrial structures and international politics — "can only he described as in the realms of science fiction," to quote a leading Opec consultant.

Lombard

The banks in a goldfish bowl

By David Lascelles

The latest of several behind-the-scenes tussles between the Bank of England and the large British clearing banks is in progress over the Bank's proposals to tighten up rules governing hank capital. To the outside world it might seem yet another instance of the arcane and, ultimately, eye-glazing husiness of bank supervision, except that it reises a couple of hroader issues.

The hanks are concerned on two fronts. The main one is that the new rules will meke it much harder for them to raise capital, which is obviously a worry — not to say a little strange—at a time when they are being pressed hy the same Bank of England to bolster their balanre sheets. But doubtless some compromise can be reached even in the rether strained atmosphere currently surrounding relations hetween the two sides.

Tha lesser of the worries exercising the banks is, in a way, of greater public interest insofar as it has to do with the disclosure of all these goings-on to the world at large.

The banks complein that these proposals were sprung on them last month without enough prior consultation. This left them unprepared and with the feeling that they were being presented with something akin to a *fait accompli.* (One of the "proposals" was actually a rule taking immediate effect).

Sensitive

It is true that the Bank circuleted its six-page paper to the banks only a few hours before releasing it to the press, which is a little unusual (though it claims there was plenty of consultation). Normally, the Bank gives them generous notice before publicising new proposals. In some instances it never publicises them at all.

The point is that mucb of the Bank's output is extremely market sensitive even when it is only in the form of proposals: its rulings can affect the right of banks to buy or sell stock, or trade in debt instruments or alter the terms on which they can raise capital. In the past six mooths or so, there have been at least two instances of the Bank making rulings which were not fully disclosed at the time, even though they were of *potential* market interest: the new curbs on banks' rights to hold each others' debt instruments, and the raising of the ceiling on bank ownership of money brokers from five to 10 per cent. They were *disseminated* in the form of e letter to the British Bankers Association, which released them to lts members, but not to the puhlic.

Privileged

It is ctearly unsatisfactory that a privileged few should know sbout such developments before the public et large. The Bank's decision to release the new capital proposals promptly was partly intended to improve tha haphazard way in which news of its decisions was getting about, and is obviously a positive development.

If the banks are now upset about leck of consultation then that is unfortunately the price that must he peid for a fairer disclosure system. However, it is herd to believe that the Benk and the clearers do not have ways of communicating with each other to prevent such surprises.

There will of course be cases where proposals have to be broeched in confidence and we must rely on the conlinued integrity of those involved to forestall abuses. But if the City is on its way to becoming a more transparent place to do business, there will bave to be less nudge-and-wink, and more plonking things down where everybody can see them.

Letters to the Editor

Wets and softies

From Mr P. McGregor

Sir,—The monopolising of the epithet "wet" (Samuel Brittan, January 9) to describe those who make any kind of criticism at all of any aspect of the present Government's policies is not only a blurring of important distinctions unworthy of anyone who has any kind of pretension to an academic reputation, but also effectively removes the word from the vocabulary of civilised debate, like "gay." Bnt since the insulter should not go uninsulted, let me adopt the word "softy" to describe the very specific class of people who, like Mr Brittan, believe that following the kind of policies which come out of the Treasury is likely to result in saving money.

The hard men (those who live in the world of industry and and commerce) know only too well that the objectives of the Treasury are to retain control of the spending decision, not, certainly not to seve money. If a saving of money should result that would be a welcome honus, but it would be preferred that there should he more expenditure under Treasury control than less expenditure not under Treasury control.

Those who have fallen victim to his polemic can defend themselves, although it is unfair to blame John Cassels and Michael Posner of the National Economic Development Office for the infrastructure stndy which had started almost before the former hed arrived et NEDO and was completed before the latter did. As the person primarily responsible for its initiation and direction I can say with authority that Samuel Brittan has not understood what we were about.

The thing which strikes the private sector temporary occupant of a public service chair is the slovenliness of the management. Public sector buildings are scruffier, and often smell of cabbage. The intelligent use of capital is unknown. Every requirement takes an extraordinary time to be supplied. Yet budgeting is a joke. I was astonished to find that Whiteball budgets did not include the cost of people or the space which they occupy, and that there is no concept of the capital employed.

We changed the budgets in the NEDO industry division within a few months of my arrival and evolved "a system of objective setting and budgeting superior to anything to ha found in Whiteball"—this quotation from an inspector's report is not given for self-enhancement, but to show that the philosophical starting point for tha infrastructure study was a long way from what Mr Brittan supposes. It was, in fact, "Why do we not look after its capital as a well run private sector company would look after its capital?"

We wondered whether there were capital registers (there were not), whether there was e depreciation policy (there was not), whether there was some system of maintenance planned to ensure that the assets retained their economic valua and earned the planned economic return (we did not think that we would need to spell out this idea of investment end return to a Couservative Government, foreignt hough it is to many of the people in Whitehall). *The* question of creating employment was not even among the terms of reference, although it is presumably of some interest. Bnt we were looking at the management of national capital, and we were not impressed.

The furore which is being orchestrated to talk down the idea that investment in infrastructure is sensible should not be allowed to obscure a few facts. Is there any question that the demand for roads is increasing? If so, how is the market to meet it? If the Government controls road finance, and private finance is not allowed, what happens next? (The Government's argument that no acceptsble system of purive finance was devised is too simplistic).

Firstly, it emerged that the Treasury gave no credit in the *calculations* for the fact that e road would bea vallable more *quickly* then if it had to wait *for* its place on the public programme—this led me to ask why, if there was no benefit in having an asset, one should invest in anything, and to tha realisation that, appropriately enough in 1984, the Treasury *believed* that assets are liabilities). But secondly we were told that ev enif a satisfactory scheme for privately financing roads contd be devised, the Government would have to consider its posizion on public investment in roads since it *would* bave to take a view of the total expenditure on roads in relation to the natiooal economy. So we realised that the market was to be allowed to generate e demand for roads but that road expenditure is to continne to be a matter for *socialistic* central planning, and markets have nothing to do with it.

To begin with we had bean told that it was all a matter of rsik—if the risk in the investment was cerried by the Government the capital cost would bave to go on the public-sector *borrowing* requirement, bot if the risk were transferred to the private investors it would not. But in the end it turned out that the PSBR hed nothing to do with it either. Nor is this suprising (despite what we had been told) since the borrowings of British Nuclear Fuels, which is 100 per cent owned by the UK Government and which therefore carries the risk of that enterprise, are not added into the PSBR.

It is pretty well established thet improving infrastrucinre is the most effective way of encouraging industrial investment,and some countries rely on it aimostt o the exclusion of other incentives. It is more than probable that the systems of analysis used by the Treasury *to* estsblish the value of an investment proposal are useless. It is clear that we have never learned bow to manage public service investment (a still appalling telephone service of which the Whiteball CBX is the worst, a complete shambles lnt be ticketing system of the London Underground, investment in postal machines to deal with a fancy and unmemorable postcode system which slows down deliveries end makes us the only country where the introduction of postcodea has increased the length of the addresses.

We need to re-examine our attitude to pnblic capital investment to make sure that what the market demands is provided by public or privete investment, that public investment is followed through, and that pnblic capitsl is looked after properly. This is wat NEDO was going on about. But Mr Brittan looks on the efficient management of capital, like competitiveness, as irrelevancies. This does not sound much like Adam Smith, althoug it may sound like the institute which has chosen to call itself after bim.

Peter McGregor.
Dacres,
Troutstream Way,
Loudwater, Herts.

Decision insight

From the Director of Planning, Penta-Daxo Associates

Sir,—You correctly described the Priority Decision System (PDS) in Technology (January 16) as an "artificial intuition" system. As you noted, it doesn't just analyse facts. It ectually produces decisions from users' raw views and data.

We've therefore found from our experience of PDS and allied programs of this new kind, that "decision insight" or "thought processing" ere the most appropriate of the many names coined. More technically, they're "euthoring systems for semi-intelligent simulations."

It's important that such names and definitions are clarified in this new field. Commercial pressures have elready caused many conventional programs to be misleadingly described as "decision support" systems, which merely "deliver up useful (existing) information in useable form." Your definition reflects what has unfortunately become current usage. It is to be boped that promoters of conventional programs do not create similar linguistic inflation by erroneously commandeering terms more appropriate for truly "decision-making" systems.

The ITV committee currently reviewing computer advertising standards would help software users if it insisted that those advertising conventional data-manipulation programs claim no more than provision of data and analysis relevant to decision, not decision proposals as such. If this bappened, e large number of advertisements and commercials would be made less misleading overnight.

Vernon Harconrt.
82 Shaftesbury Avenue, W1.

Bulgarian orthodoxy

From Mr V. Kreinovic

Sir,—I always read Financial Times with greet interest. However, I want to comment on December 12 in which the about the article about Bulgaria euthor is greatly surprised by the erticle in Bulgarian "Rabotnicesko delo newspaper accusing some local party organisation in formal character of its meetings (all the speeches and resolutions are prepared beforehand).

The author is surprised because, to bis viewpoint, all party meetings are formal. To my mind, he judges by party congresses and sessions of parliaments where voting is usually unanimous (pro-all, contra-none). As for local party meetings, they are almost always full of discussion and arguing with results hardly predictable before voting.

Articles criticising formal character of some meetings are regularly published in Pravda end local Soviet newspapers. The statement that Bulgaria is the most orthodox of East European countries is also far from being true.

Vladik Ja Kreinovic.
P.O. Box 21,
Leningrad 22,
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FINANCIAL TIMES

Thursday January 17 1985

ITALY OUTLINES PLAN TO BEAT CASH CRISIS

EEC budget linked to entry talks

BY PAUL CHEESERIGHT IN STRASBOURG

ITALY is pinning its hopes of guiding the EEC out of its budget crisis – it has no budget for 1985 – on a quick end to the enlargement negotiations with Spain and Portugal.

The link between the two developments emerged yesterday when Sig Giulio Andreotti, the Italian Foreign Minister and president of the EEC Council of Ministers until June, outlined his six-month programme to the European Parliament.

On the most optimistic assessment, that means the EEC will continue to survive on month-by-month financing, worked out on the basis of 1984 spending, at least for the first half of the year.

Sig Andreotti's approach to resolving the budget issue, caused by parliament's rejection of the 1985 figures because they did not cover the whole of the year, is accepted by all the EEC countries except West Germany.

"We shall strive to ensure that the principle of an annual budget, as demanded by this parliament, is observed, possibly by anticipating by a couple of months the entry into force of the decision on the increase in the revenue from value-added tax," he said.

Germany, however, ties increased contributions to the EEC with the fact of enlargement, scheduled for January 1 1986.

Sig Andreotti, to meet that qualification, wants an end to the enlargement negotiations during the spring and then a rapid ratification by national parliaments of Spanish and Portuguese accession to the EEC. With ratification in place, or promised, he is hopeful that Germany might relax its stand to allow an increase in the Community's resources before January.

The crucial diplomatic moves on that are likely to be taken at the EEC's March summit in Brussels, when the enlargement negotiations might be sufficiently near completion for pressure to be placed on Bonn.

Sig Andreotti conceded that his "working hypothesis may come up against insurmountable difficulties." In that case the alternatives would either be a re-run of the 1984 events, when the Ten loaned money, or a search for some agreed Community solution.

However, that search would not be Sig Andreotti's task. Although contacts among the Ten are taking place on a new budget, it is not likely that a working document would come before the council until March or April. After that there would still need to be talks with the parliament.

Even if Sig Andreotti is successful in his approach on enlargement, that would suggest that the EEC will continue to run without a formal budget at least until the early summer.

The financial constraints have blunted the Italian search for new internal economic programmes. "Accordingly, we must develop community action in the complementary sectors and in sectors which provide support for the industrial co-operation policy."

That meant strengthening the internal market and the development of a legal framework to encourage co-operation between companies and the promotion of research and development, he said.

Steps were taken in that field last year, when the commission acted to exempt companies from the competition laws when they join in research and development exercises, when they enter specialised production pacts, and when they have licensing agreements.

The central issue, as Sig Andreotti saw it, was unemployment, which will reach 11.5 per cent to the EEC working population this year.

He advocated a concerted approach, without, however, specifying how it might work. Unemployment should be the main criterion determining the development of Community action in both the social and industrial co-operation fields.

That was in the framework of a more tightly co-ordinated economic strategy for the Community. Here, Sig Andreotti proved a natural ally of M Jacques Delors, president of the Commission, by stressing the priority of reviving financial and monetary co-operation.

Specifically, that meant liberalising capital movements and encouraging the greater private and public use of the Ecu, the EEC's currency unit.

As a means of developing the European Monetary System, Sig Andreotti wanted:

- The inclusion of sterling in the exchange-rate control mechanism, which he saw not only as a technical matter but as an act of "political will" by Mrs Thatcher's Government.
- Harmonisation of fluctuation margins, although he would not commit himself to a tighter margin for the lira.
- Elimination of obstacles to the free movement of the Ecu on private markets and recognition of the Ecu's status as a currency in all the member states, a reference to German caution about permitting the Ecu a wider role.

Sprinkel may succeed Feldstein

By Stewart Fleming in Washington

MR BERYL SPRINKEL, the U.S. Treasury Under-Secretary for International Monetary Affairs, is emerging as the front runner to take over as chairman of the President's Council of Economic Advisers (CEA), a post which has been left vacant since Dr Martin Feldstein, the previous chairman, left Washington in a storm of controversy last July.

Dr Feldstein's outspoken advocacy of monetarist economic policies which clashed with the political strategies of some of President Ronald Reagan's closest advisers and with the views of the Treasury Secretary, Mr Donald Regan, raised a serious question mark over the council. Late last year Mr Reagan was examining the possibility of abolishing it.

Last weekend, however, the Reagan Administration said that the council, which provides the president with economic advice of the political and bureaucratic pressures which shape analyses by the Treasury or Commerce Department, will not be scrapped. Since then speculation has been mounting about who will get the top job.

The appointment of Mr Sprinkel would solve a number of problems. He is a loyal supporter of the President's policies and unlikely, therefore, to take in public an independent line which would anger the White House.

He is seen as someone with whom Mr Regan, who is to take over as White House Chief of Staff, is comfortable. The two men have worked closely at the Treasury. Although initially Mr Sprinkel had to be reined in on occasions when he was too outspoken on particular topics, he is seen to have become more circumspect over time.

It is considered highly likely, moreover, that Mr James Baker, the present White House Chief of Staff, who is scheduled to replace Mr Regan as Treasury Secretary, will want to appoint his own man to the important post which Mr Sprinkel currently fills.

Whether his appointment would help to rescue the CEA from the oblivion into which it has sunk in the past few months is doubtful. Some members of the council feel that it is headed for a steady erosion of its influence whoever takes the top job.

THE LEX COLUMN

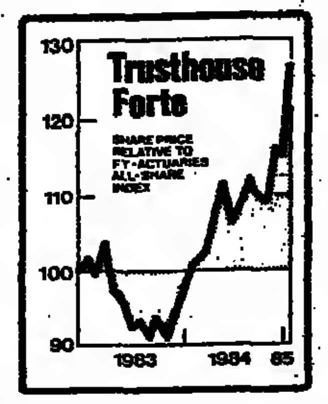
Room at the top for equities

Higher rates of interest are supposed to make everyone feel poorer, according to the current Treasury model of the economy, a dogma which yesterday's equity market seemed determined to refute. Within two days of the official decision that the sterling problem – or perhaps loose monetary conditions – required 12 per cent base rates, there was enough demand to generate record turnover in brokers' dealing rooms, and push every index in sight to within a fraction of its pre-crisis level.

The actual level of the equity market can be explained, after a fashion. If it was rational for the All Share to reach a new peak of 606.9 only a week ago, to some extent because a depreciating currency is good for competitiveness, earnings and dividends, then it would be rather odd of the equity market to gib now at an even weaker pound. The higher cost of funds can admittedly be expected to limit real economic growth, but not to undermine previous expectations altogether.

This does nothing to explain the fevered buying that appeared yesterday. Indeed, brokers were more inclined to rejoice at the roaring trade than to justify it. Although it appeared that the market rise was to some extent self-feeding, as fund managers were unwilling to get left behind, there were also signs that the more sharp-eyed brokers were having fun at the expense of jobbers. It was not an easy day for a jobber to protect the short positions in his equity book.

If sceptics were suggesting that the equity rally represented no more than a second chance to sell out at the top, the weight of pent up cash seems quite likely to prove them wrong – incidentally giving some colour to the Chancellor's renewed emphasis on anti-inflation policy and rather tighter credit. It does not necessarily give much encouragement to the gilt-edged market. Although there was quite a lot of demand for the tap – particularly from funds wanting to switch out of other long-dated stocks – the Government Broker did not give the rest of the market quite enough support to sell out. After all, falling rates may be some way off.



ITT

ITT's prescription for a return to market favour since cutting its dividend last July has consisted of a series of violent jolts to its own system. Yesterday's announcement of the auction of some $1.7bn in assets was as bone-jarring as any other, but the market clearly finds the treatment salutary: ITT's share price, which had been languishing in the high $20s last week, picked up to $32 yesterday at the news.

Not surprisingly given the sums involved, the proposal to float off a part of ITT's UK life insurance subsidiary, Abbey Life, did not feature very heavily in the announcement. The purpose of gaining a listing for a minority of Abbey Life might seem obscure. But ITT clearly has the cash bug so badly, that it wants not only the $100-200m that a 25 per cent divestiture would raise, but a value on the whole lot for some rainy day. A bit of ready reckoning from the Hambro Life sale was obviously not good enough.

But Abbey Life is a parish-pump affair compared to an assets-disposal programme which will effectively close off one whole division of ITT, natural products and food and make changes in all the others. In fact, some students of the company had been so gorged on the sales of Continental Baking ($475m) and most of Eason Oil ($240m) last year – not to speak of the $250m saved on the dividend – as to expect more, and ITT was almost apologetic in explaining that its wood and paper business, ITT Rayonier, was unsaleable at the moment and it was only seeking joint ventures for Sheraton.

The immediate benefit will be a reduction of net debt, which stood at 43 per cent of shareholders' equity at the end of the third quarter and is still over 35 per cent. ITT has set its sights on 30 per cent, which should not be hard. In addition, ITT should be able to give a much-needed boost to its operational earnings, as well as meeting onerous capital expenditure demands, particularly in telecommunications. Whether there will be something left for an acquisition in the equipment sector, or a nice stock buy-back, is not clear. What is most probable is that, having cut back some of its less productive assets to redeploy both cash and time, ITT has become substantially less attractive as a takeover target – even at a price some 50 per cent below its peak before the dividend cut.

Trusthouse Forte

The market seemed a little miffed yesterday at Trusthouse Forte's preliminary results, which was slightly surprising since pre-tax profits to the end of October 1984 rose by 38 per cent net of property disposals. Possibly because the over-sanguine predictions of some analysts had not been met, the shares fell 2p to 156p in what was otherwise a very bullish market.

THF has won out twice over from a strong dollar. Its U.S. earnings produced a useful 18 per cent exchange rate gain, and American tourists have been flocking to Britain. Last year saw a 20 per cent rise in the number of Americans staying in THF hotels.

The increased occupancy rates have spilled over to the provinces too, although the company keeps exact figures to itself. And the discounting of rooms has fallen off, giving a revenue increase per room much higher than the rise in tariffs. The only fly in the ointment seems to be America, where profits would have barely risen had the dollar not come to the rescue. THF seems to have a marketing problem there, with products ranging from motorway motels to the ultra-chic Plaza Athenee in New York.

The last couple of months have seen even higher occupancies in the UK, so with the slide in sterling, THF looks set for a bumper first half. Whether the shares are showing appreciation of the group's dollar assets, or even if they are outperforming because there are few hotel stocks that institutions can deal in size, THF's progress seems pretty well discounted. Assuming profits of £118m for this year, its shares are on a multiple of over 15.

French industry's profits recover

By Paul Betts in Paris

OPERATING profits of French companies continued to recover strongly last year as industrial costs, especially blue collar wages, fell sharply in real terms.

Government figures show that operating earnings of the French corporate sector returned to the levels they were at before the oil crisis of 1974. The recovery in corporate profitability began in 1983 and has continued at a sustained level.

Between the beginning of 1983 and the end of the first quarter of this year, operating earnings of companies are expected to grow by four to six percentage points more than in the previous 12-month period, according to government estimates.

While this enouraging performance reflects in part the productivity gains made by French industry in the last two years, the Government's success in holding down wages and labour costs are in large measure responsible for the recovery in corporate operating profits.

Provisional figures of the French Labour Ministry show that for the first time since 1958 the average hourly wages of blue collar workers in France grew at a lower rate than inflation.

Hourly wages are estimated to have grown last year at an annual rate of between 8 and 6.3 per cent, compared with the consumer price inflation rate of 6.7 per cent.

The rise in blue collar hourly wages had already started to slow in 1983 when they increased at an annual rate of 9.6 per cent. The increase the year before had been 12.6 per cent, despite the Government's freeze on wages.

However, the fall in blue collar purchasing power last year is likely to provoke further angry reactions from the French labour unions, especially the pro-Communist CGT confederation. The CGT is currently mounting an increasingly aggressive anti-government campaign which coincides in part with the run-up to the Communist Party congress next month.

The unions are also divided on the issue of resuming collective bargaining with French employers. After eight months of negotiations, the French employers reached a preliminary agreement last month with unioo leaders to introduce more flexible labour rules in French industry. However, the membership of the unions rejected the pact, putting collective bargaining into cold storage for the time being at least.

Austria will be Europe's first country with lead-free petrol

BY PATRICK BLUM IN VIENNA

AUSTRIA is to become the first European country to adopt new tighter regulations to curb pollution from cars with the introduction of lead-free petrol this year, and catalysts as early as January, 1987, for new cars.

Chancellor Fred Sinowatz announced the new regulations this week, after a special Cabinet meeting in the southern city of Graz, describing the move as one that will make Austria a "pioneer" in environmental protection. Plans by West Germany and Switzerland to introduce similar measures, including catalysts, are expected to come into force in 1989 and 1988, respectively.

It is hoped that the new rules will reduce carbon monoxide pollution on the roads by at least 37 per cent by 1990 and 63 per cent by 1995.

Initially, the regulations will apply only to private cars. The Government is to examine further what can be done about pollution from lorries, which is the cause of widespread concern because of Austria's role as a major transit point for freight traffic between Northern and Western Europe and Southern and Eastern Europe.

Lead-free normal-grade petrol will be available from April 1 in selected petrol stations. Oil companies are expected to use the next few months to phase in lead-free petrol gradually, and by October it will be available in all Austrian cities.

Higher grade petrol, or "super," will not be affected, but the Government hopes that the lead-free petrol's high quality will encourage motorists to switch to the new petrol. By October 1 all normal-grade petrol will be lead-free.

Catalysts will become compulsory for all new cars with engines of over 1.5 litres on January 1 1987, and for all other new cars bought after January 1 1988.

The two moves are designed to meet standards set by the U.S. with its 1983 regulations, which are the world's most stringent and have become a benchmark for car pollution controls.

To back up its campaign, the Austrian Government is offering immediately refundable tax premiums of up to Sch 7,000 ($315) for people buying cars fitted with catalysts before the law comes into effect in 1987 for cars over 1.5 litres and 1988 for others.

Motorists buying new cars not fitted with catalysts between now and the date when the regulations come into force will have to pay a higher road tax.

The Government is not offering any subsidies for motorists fitting catalysts on existing cars because this procedure is considered to be technically complicated and inefficient.

Beretta wins US duel to replace Colt .45

Continued from Page 1

turers managed to prevent any decision from being made on the award of a contract. Then in 1982 the U.S. Army ran its own contest and again the Beretta came out top. Indeed, the U.S. contenders were excluded from the final round of the competition, which was confined to Beretta and Sig.

Even that did not mean that Beretta won the contract. The U.S. companies challenged the outcome of the tests in the courts – actions which are still pending – and warned Congressmen of the dire consequences of the contract's going to an overseas company. No decision was made.

Beretta, however, had its own sophisticated lobbying operation in progress in Congress. It operates in the U.S. through Beretta USA, a company in which it has a 40 per cent stake, the rest being held mainly by U.S. interests. In 1978 it established a small plant at Accokeek in Maryland, which currently employs just over 100 people.

Beretta indicated that it was prepared for the bulk of the contract to be fulfilled in the U.S. It also offered the 92 pistol at a price of less than $200 each, compared with a price on the open market in the U.S. of about $700 each. The contract as finally drafted provides for only 20 per cent of the value of the five-year deal to be fulfilled in Italy, although initial production will be concentrated in Italy until U.S. production is in full swing.

Despite the pared profit margin and the limited Italian participation in fulfilling the contract, the deal with the U.S. Army should be of enormous value to Beretta. It has already sold different versions of the 92 pistol to the Brazilian army and police, to the Italian police and to a number of Arab countries. Now it hopes for more export orders from governments and should see the sales of the weapon boosted on the market for sports guns such as that of the U.S.

It all comes at an opportune moment for Beretta. The last few years have been difficult for the Italian firearms industry, of which Beretta is the unchallenged leader with about 30 per cent of Italy's rifle, shotgun and short-barrelled-weapon output (it produces about 300,000 weapons a year). Depressed demand and a sharp tightening up of Italian Government regulations on export licences has threatened Italy's hold on nearly a third of the EEC's trade in guns and a fifth of the non-Communist world's market for non-military small arms.

Beretta sales fell from L91.2bn in 1982 to L82.6bn ($42.2m) in 1983, compared with 61 per cent in 1982. Pre-tax profits fell from L1.3bn in 1982 to L900) in 1983.

ITT plans $1.7bn sale of assets

Continued from Page 1

ITT's shares had advanced 50 cents to $31⅛ by lunchtime. Their value peaked at $47¾ a year ago before plunging to a low of just over $20 in July.

The company, which had about $14.13bn in total assets at the end of September, reported net income of $273.2m or $1.81 a share on sales and revenues excluding insurance and financial revenues of $9.2bn in the first nine months of last year, compared with net income of $396.4m or $2.64 a share on sales and revenues of $9bn in the 1983 period.

Guy de Jonquieres and Eric Short in London add: ITT's European headquarters in Brussels said last night that it had not yet decided which of its European telecommunications subsidiaries would be offered to outside investors. Its decisions would depend on "local market conditions."

ITT has seven wholly owned telecommunications manufacturing companies in Western Europe, of which the largest by far are Bell Telephone (BTM) in Belgium and FACE in Italy. The others are in Austria, Finland, the Netherlands, Portugal and Sweden.

Europe has long been the main base of ITT's telecommunications operations, and sales by its local subsidiaries totalled $4bn last year. Its flagship product, the System 12 digital public exchange, was developed in Europe at a cost of almost $1bn and BTM is the lead production company.

However, in the past few years ITT has begun to scale back its European telecommunications interests, while seeking to build up a larger share of the U.S. market. Government pressure in France forced it to dispose of its two equipment subsidiaries there.

ITT also owns 86 per cent of Standard Elektrik Lorenz of West Germany, its largest telecommunications manufacturing business, and is majority owner of Standard Electric in Spain.

Mr Michael Hepher, chairman of Abbey Life and head of ITT's UK operations, confirmed that S. G. Warburg and chartered accountants Ernst and Whinney had been instructed to undertake a feasibilty study into an offer for public sale of a minority of the equity of the company.

Mr Hepher emphasised that the final decision to sell had not yet been taken. However, given the circumstances surrounding the ITT sale, the feasibility study is most likely to concentrate on the value placed on Abbey Life and the method of flotation fixed price or tender.

Mr Hepher said that one of the benefits of the flotation was that it would create a market in Abbey Life's shares and put a worth on the company.

Abbey Life was founded in 1961 by Mr Mark Weinberg, now the chief executive of Hambro Life Assurance, Britain's largest linked life company, in the course of being acquired by BAT Industries for £664m. ITT acquired 100 per cent of Abbey Life in 1970 and Mr Weinberg left shortly after.

A leading market analyst put a very approximate value on Abbey Life of between £400m and £450m.

However, recent experience in the UK life sector has shown buyers willing to pay substantial premiums over the actuarial value of the companies sold.

ITT DIVESTITURE SINCE 1979

Year	Number	Proceeds $m	Net after sales* – tax gain $m /loss $m		Profit/loss* $m
1979	17	74	8.5	221	− 9
1980+	18	209	46	462	−34
1981	9	82	−33	447	−18
1982++	6	50	−13	75	− 2
1983Ø	10	86	− 2	210	− 5
1984†	8	638	153	1,000	39

* Prior year's; + Excludes Timberland sale; ++ Excludes 50% STC stake; Ø Excludes 20% STK stake; † Excludes partial sale of Eason Oil for $240m

World Weather

		°C	°F
Ajaccio	S	11	52
Algarve	F	15	59
Algiers	C	5	41
Amsterdam	S	-9	16
Athens	F	10	50
Bahrain	S	23	73
Bangkok	S	32	90
Barcelona	S	2	36
Beirut	F	17	63
Belgrade	S	-2	28
Berlin	S	-8	18
Biarritz	S	-2	28
Blackpool	Sn	-2	28
Bordeaux	S	-8	18
Brussels	S	-9	16
Budapest	S	-3	27
B. Aires	S	31	88
Cairo	C	22	72
Cape Town	S	27	81
Caracas	C	27	81
Casablanca	S	11	52
Copenhagen	S	-1	30
Corfu	S	14	57
Dublin	Sn	0	32
Dubrovnik	R	9	48
Faro	F	8	46
Florence	R	6	43
Frankfurt	C	-4	25
Funchal	F	17	63
Geneva	C	-6	21
Gibraltar	S	10	50
Guernsey	Sn	-2	28
Helsinki	Sn	-3	27
H. Kong	F	17	63
Innsbruck	F	-7	19
Inverness	C	1	34
Istanbul	F	4	39
Jersey	C	-4	25
Jo'burg	C	19	66
Las Palmas	F	18	64
Lima	S	26	79
Lisbon	R	6	43
Locarno	Sn	1	34
London	Sn	-4	25
Los Angeles	F	9	48
Luxembourg	C	-8	18
Madrid	S	2	36
Majorca	C	7	45
Malaga	S	9	48
Malta	C	15	59
Manila	S	30	86
Miami	S	7	45
Milan	Sn	1	34
Moscow	C	-6	21
Munich	C	-8	18
Nairobi	F	27	81
Naples	R	9	48
New Delhi	S	19	66
New York	F	-10	14
Nice	C	4	39
Oporto	R	5	41
Oslo	S	-11	12
Paris	F	-13	9
Prague	S	-2	28
Reykjavik	S	4	39
Rio de J'o	C	32	90
Rome	C	15	59
Salzburg	C	-5	23
Seoul	F	-8	18
Singapore	S	31	88
Stockholm	S	-8	18
Strasbourg	F	-7	19
Sydney	S	29	84
Taipei	F	19	66
Tangier	F	9	48
Tehran	-	-	-
Tel Aviv	S	18	64
Tenerife	C	18	64
Tokyo	S	12	54
Toronto	C	-16	3
Tunis	F	11	52
Valencia	S	6	43
Venice	R	0	32
Vienna	S	-5	23
Warsaw	S	-10	14
Zurich	F	-10	14

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

UK borrowing over target

Continued from Page 1

The study suggests that those would include a standstill imposed on health and education standards, a hard squeeze on pensions, social security benefits and on Civil Service pay, with difficult decisions needed in the defence field.

On Tuesday, however, the Government will publish its latest public expenditure White Paper (policy document), which shows it is determined to press ahead with its strategy. Almost no real increase in public spending has been allowed for up to 1987–88, for which a new total of just over £140bn will be announced.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main.

هكذا صدر الأصل

SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday January 17 1985

Spain's INI offers Enasa truck stake to General Motors

BY TOM BURNS IN MADRID AND KENNETH GOODING IN LONDON

GENERAL MOTORS of the U.S. is holding discussions which could lead to it acquiring a majority stake in Enasa, the state-owned Pegaso and bus group of Spain.

Sr Luis Carlos Croissier, chairman of INI, Spain's state holding company, said yesterday he hoped the deal would be completed by the summer.

He also expected that arrangements would be made by that time for Volkswagen of West Germany to take complete control of Spain's state-owned Seat car company.

GM, the world's largest vehicle producer which owns the Bedford truck business in Britain and also distributes Isuzu commercial vehicles from Japan in Western Europe, said last night that a memorandum of understanding had been initialled for GM and Enasa to "explore possible further business relationships."

A joint study would be completed in three months and a final decision made by June 30. GM would not buy Enasa outright but may take an equity interest.

An Enasa spokesman said GM had emerged as a preferred partner for his company although two Japanese groups, Toyota and Nissan, had expressed an interest.

Enasa is among the also-rans in the highly competitive European truck business with an output last year, according to estimates by DRI Europe, of about 5,100 trucks of 6 tonnes gross weight and above.

Last March, Enasa bought Seddon Atkinson of the UK from International Harvester of the U.S. and Seddon's output has been running at a depressed rate of around 1,500 trucks a year.

This compares with Bedford's production of about 11,400 vehicles of over 6 tonnes gross.

Even together, Enasa, Seddon and Bedford still fall well behind the European production leaders: Daimler-Benz with an estimated outpot of 76,500 trucks last year; Iveco, the Fiat subsidiary, with 26,300; and Renault of France, with 27,900.

INI (Instituto Nacional de Industria) previously sold a controlling interest in Enasa to International Harvester, but the American group pulled out in May 1982 because of its own financial difficulties.

Enasa has reduced its workforce by 3,000 to 8,600 since then and taken other measures to improve its competitiveness in preparation for the time when Spain joins the European Community and the tariff barriers which have protected the Spanish motor industry for many years are gradually removed.

It has arranged joint ventures with ZF of West Germany (truck transmissions) and Daf of Holland (truck cabs) and reduced the serious losses from Pta 14bn ($79.5m) in 1980 to Pta 2.79bn in 1983.

It hoped to break even last year, but a continued decline in demand for trucks in Spain made that impossible.

WALL STREET WELCOMES MASSIVE ASSET SALES PROGRAMME

ITT tries to unravel corporate tangle

BY PAUL TAYLOR IN NEW YORK

ITT'S announcement yesterday that it plans to accelerate its massive asset sales programme, targeting companies with $1.7bn in assets for auction this year, represents a further step towards a radical restructuring of one of the world's biggest multinational conglomerates.

The move, which received an immediate warm welcome on Wall Street, where ITT's shares jumped, also marks the latest attempt by Mr Rand Araskog, ITT's chairman, to unravel the corporate patchwork empire built up by Mr Harold Geneen, the controversial former ITT chairman. It also more sharply focuses ITT on the telecommunications, advanced technology, automotive and other products and diversified services sectors.

The latest announcement, coupled with earlier divestitures, will all but wipe out ITT's natural products and food products division. This was one of ITT's four major "management groups" formed in 1983 as part of a management reorganisation, and a division which Wall Street has long viewed as "a possible collection of companies up for sale." But it will also bring sweeping changes to ITT's three other divisions.

Mr Araskog, who took charge of the stagnating ITT empire five years ago, has presided over a steady programme of asset redeployment and corporate down-sizing aimed at improving profitability and reducing debt.

Even ahead of last year's series of startling announcements, including dramatically lower first-half earnings because of problems at the group's Hartford Insurance unit and a 63 per cent reduction in ITT quarterly dividend, Mr Araskog had moved quietly to sell 55 companies with aggregate sales of more than $2bn and a book value of $1.2bn.

The programme, however, has accelerated dramatically over the past six months. Since then, among a number of divestitures, ITT has sold Cootineotal Baking to Ralston Purina for $475m in cash and most of the Eason Oil business for $240m.

Yesterday, ITT signalled its intentioo to sell most of the rest of the natural resources and food division, including the rest of Eason Oil and OM Scott, the lawn and garden products company.

For the moment, ITT said it will not put its forest products company, ITT Rayonier, up for sale "because of depressed market conditions." However, there is little doubt that Rayonier, which had sales of $630m in 1983, will be sold when market conditions improve.

ITT

The dismemberment of the natural resources and food division, which in 1983 accounted for $2.54bn of ITT's $20.2bn in sales and $2.35bn of its $29bn in assets, alone will represent a major change in direction.

Yesterday's announcement, which mentioned that 12 unidentified companies in the industrial technology division will also be sold off, suggests a wider reorganisation.

The industrial technology unit, with sales in 1983 of more than $4.8bn is a major European and North American manufacturer of industrial products, semiconductors and automotive parts. While ITT has oot identified which companies in this division are up for sale, ITT Grinnell, a major supplier of pipe, hangers, valves and fittings for the construction industry, appears one of the most likely candidates.

ITT also said it was seeking "substantial co-investors" in its Sheraton Hotel group and that "selected divestitures will be made in ITT's overseas insurance operations." Both the insurance and hotel operations come under ITT's diversified services division.

In particular ITT, which last year sold its 26 per cent stake in Afia to Cigna, is considering the possible public sale of a minority stake in its 100 per cent owned Abbey Life UK-based insurance company.

In addition ITT, which last year reduced its holding in Standard Telephooes and Cahle (STC) of the UK, said that it is "planning selected offerings of minority positions in certaio wholly owned overseas telecommunications companies."

These changes taken together represent a major effort oot only to restructure the company but also to reduce its outstanding long-term debt which stood at $2.9bn at the end of September.

Despite the divestitures, however, ITT and Mr Araskog appear determined to maintain the group as a broad-based multinational diversified company.

The ITT chairman pointed out yesterday that ITT will continue to emphasise telecommunications – where the company has gambled on the success of its System 12 digital switch, office and defence space products, insurance, financial, communications and hotel services and automotive products, electronic/electrical components and fluid products.

It is also likely that European operations, which in 1983 accouoted for 40 per cent of ITT's sales, 30 per cent of its assets and more than 50 per cent of its operating income, will remain a major plank in ITT's new strategy.

Oklahoma oil group pulls out of mining

By William Hall in New York

KERR-McGEE, the Oklahoma-based eoergy group which has been the subject of takeover speculation, is taking an $88m after-tax charge in its final quarter to cover the writedown of some of its mining operations.

The group is the latest in a growing list of U.S. energy companies which are either writing down or disposing of unprofitable mining operations. Most of them are not producing the sorts of returns expected when the companies diversified into the industry in the 1970s to offset declining profits in the oil business.

Kerr-McGee says it intends to concentrate on its more profitable business operations. It has raised its foreign and domestic oil production to record levels and has increased its holdings of undeveloped oil leases in the Gulf of Mexico in the past two years, and now has the largest inventory of exploration prospects in its history.

The largest component of the charge is a $42m writedown of the group's Quivira mining and milling operations in New Mexico. In addition, Kerr-McGee is taking a $24m write-off on its Potash plant at Hobbs, New Mexico, which it is closing. It is making an $18m after-tax provision for possible losses on accounts receivable and inventories from the company's deep well drilling programme in Oklahoma and taking a $4m writedown oo its 25 per cent stake in the Brewster phosphate operation in Florida.

The charge, equivalent to $1.68 per share, follows a $25.5m write-off in the same period of 1983 and is a further blow to a company whose earnings were already under pressure. In the first olne mooths of 1984 Kerr-McGee earned $99.9m or $1.89 per share, compared with $101.3m, or $1.91 per share, in the same period of 1983. The group's net income peaked in 1981 when it earned $211.1m

Crocker approves Midland bid

BY OUR NEW YORK STAFF

CROCKER National, the troubled U.S. west coast banking group which suffered a $324.4m loss for 1984 – one of the biggest full-year deficits ever reported by a U.S. financial institution, has agreed to Midland Bank's $224m bid for the 43 per cent equity stake it does not already own.

Crocker's board met yesterday and approved the merger agreement under which Crocker shares not already owned by Midland will be swapped for Crocker adjustable rate preferred stock with a stated value of $27 a share.

The San Francisco-based bank said it expected to execute a definitive merger agreement "within a few days" under the terms which were disclosed on January 2 when Midland announced it was injecting an additional $375m in capital – pushing its total investment in Crocker to well over $1bn.

Midland first acquired its controlling interest in Crocker in 1981. In two out of the last three years Crocker has reported losses but managed to report a $71.8m net profit in 1982. Since then Midland has abandoned its arms-length relationship with the U.S. bank, replaced virtually all the top management and sanctiooed a major house-cleaning operation which has resulted in massive loan net write-offs of $552.8m in the last two years alone.

Despite this, Crocker still had $1.13bn in non-performing loans at year end, equivalent to 7.15 per cent of total loans – compared with an average of just over 1 per cent for most other large U.S. banks.

Crocker acknowledges that its huge portfolio of problem loans, mostly in the property, agricultural and Latin American sectors, remains a severe drag on earnings. Last year it depressed pre-tax operating results by $131.6m.

Following the latest capital injection by Midland, Crocker's shareholder funds now total $1.14bn, and it has a ratio of primary capital to assets of 6.33 per cent – bolstered by $300.4m end-year loan loss reserve, equivalent to 1.9 per cent of total loans.

New profits setback for American Airlines

BY ANDREW BAXTER IN NEW YORK

AMR, the parent of American Airlines, yesterday announced a further sharp fall in net profits and elected Mr Robert Crandall, president and chief operating officer, to succeed Mr Albert Casey as chairman and chief executive.

Net profits in the fourth quarter dropped from $115.6m, or $2.27 a share, to $23.6m, or 37 cents, while revenues edged up from $1.28bn to $1.35bn.

However, with the aid of strong profits in the first half, AMR posted full-year net earnings of $233.9m, or $4.37 a share, up slightly from $227.9m, or $4.79, in 1983. Average shares outstanding rose from 43.1m in 1983 to 48.5m last year. Full-year revenues advanced from $4.7bn to $5.3bn.

Net income in the latest quarter includes a $13.8m pre-tax provision related to workforce reduction programmes and a $7.8m write-off in exploration costs at AMR's oil and gas unit. In the fourth quarter of 1983, there was a $21.8m gain from the sale of tax benefits.

AMR's earnings dropped sharply in the third quarter following the U.S. air fares war which began in the summer. The airline has since faced increasing competition.

Wang earnings jump despite strong dollar

BY ANDREW BAXTER IN NEW YORK

WANG LABORATORIES, the U.S. office equipment manufacturer, yesterday reported an 18 per cent rise in second-quarter net profits despite the adverse effect of the dollar's continued strength.

Net earnings for the three months ended December 31 rose from $47.8m or 35 cents a share to $56.3m or 40 cents, taking profits for the first six months to $107.5m or 76 cents a share from $86.7m or 63 cents.

Second-quarter revenues at the Massachusetts-based company, which is understood to be forming a strategic alliance with Apple Computer, the California personal computer manufacturer, advanced from $515.4m to $610m, while six-month revenues rose from $927.4m to $1.16bn.

New orders rose 17 per cent from the comparable quarter. However, Dr An Wang, chairman and chief executive officer, said growth in orders and revenues were below target because of the strong dollar and delays in releasing new software products, which are important to the company's integrated information processing strategy. These products are expected to be in shipment during the current quarter.

The strong dollar adversely affected the company's international orders and revenues by about $30m and $24m respectively from the year-ago period.

Wang announced last month that it did not expect to meet its 30 per cent growth goal in the second quarter. In early trading yesterday shares in Wang were down $1¼ at $24¼ in heavy trading.

Crane to pay $190m for Unidynamics

BY TERRY BYLAND IN NEW YORK

CRANE COMPANY, the Illinois-based world leader of the industrial valves industry, is acquiring Unidynamics, a defence and engineered metals group, in an agreed tender offer worth $190m cash.

Crane will offer $29 a share for the outstanding equity of Unidynamics and will also take an option to buy n further 1.2m unissued shares at the same price.

Stock in Unidynamics jumped $1¾ to $28½ after the bid announcement, and more than 500,000 shares, or nearly 6 per cent of the equity, changed hands.

Mr Robert Evans, who assumed the chairmanship of Crane last March, said: "Unidynamics' strong position in specialised manufacturing, especially in defence and engineered metals, is a major step in Crane's efforts to reposition itself in more profitable growth markets."

Unidynamics' 1984 profits statement, due shortly, is expected to disclose a substantial increase from the preceding year's $8m net total. Major earnings divisions, in addition to defence and special systems, are glass-fibre reinforced panels for trucks and trailers. The board has set itself a target of $1bn sales by 1990 – in 1983, sales were $314.8m – and a 20 per cent return on equity.

For Crane, the acquisition represents a major step in the reshaping of its asset structure. Other moves are likely to be the sale of steel and cement subsidiaries, both tagged by the management as cyclical and capital intensive.

Crane earned $26.4m in 1983, and profits of more than $30m have been predicted for 1984 by Wall Street analysts. Sales are expected to exceed $800m.

Kaiser Aluminum hit by falling prices

BY OUR NEW YORK STAFF

KAISER ALUMINUM and Chemical, the third largest U.S. aluminium producer, yesterday reported a $27.8m fourth-quarter net loss, due partly to high sales of primary aluminium at sharply lower prices.

Pre-tax losses in the company's aluminium division rose from $62.4m in the third quarter to $81.8m. Kaiser as a whole reported a pre-tax loss of $73.2m, and the net loss is struck after a tax credit provision of $45.4m. In the fourth quarter of 1983 the company reported net profits of $42m.

For all 1984, Kaiser posted a $53.9m net deficit, which includes a $61.8m loss from discontinued operations. In 1983 there was a $74.9m deficit, which was distorted by a $57.9m Lifo gain.

Sales from continuing operations jumped from $720.5m to $878.2m in the latest fourth quarter and from $2.5bn to $3.2bn for the year.

Mr Cornell C. Maier, chairman, said that, in addition to the low primary aluminium prices, fabricated product prices fell in the quarter

Canadian textile group to cease operations

BY BERNARD SIMON IN TORONTO

INTENSE competition from developing countries and high operating costs have forced the Canadian textile manufacturer Wabasso to discontinue operations with a loss of more than 1,200 jobs.

Two of Wabasso's four mills in Quebec and Ontario, producing bedding and towels, will be taken over by Dominion Textile, Canada's largest textile group. The terms of the transaction were not disclosed. A formal agreement is due to be signed within the next month.

Wabasso suffered a C$6.6m ($5m) loss in the nine months to September 30 on sales of C$81.9m. Fourth-quarter losses were about C$2m. The company's main product lines include bed linen, towels, denim and industrial cotton fabrics. Among the facilities to be closed are weaving operations, yarn preparation and sails yarn manufacturing facilities.

Canadian producers' high labour costs have contributed to a sharp rise in textile imports. Foreign purchases of polyester cotton fabrics rose by about one third in the first nine months of 1984. Local manufacturers have asked the Government urgently to impose new quotas or to tighten Canada's bilateral restraint agreements with Third World suppliers.

Dominion Textile responded to competition from abroad by taking steps to lower its dependence on Canadian manufacturing operations. It is expanding production facilities in South-east Asia, while strengthening the marketing side of its business which included selling other producers' fabrics.

Olin agrees to buyout

BY OUR NEW YORK STAFF

OLIN Corporation, the U.S. diversified manufacturing group, has agreed to a $130m leveraged buyout of its Ecusta cigarette paper and fine printing paper business located at Pisgah Forest, a small town located in the Blue Ridge Mountains in North Carolina.

Ecusta is one of the biggest cigarette paper makers in the U.S. and had a net income of $12m and sales of $185m in 1984.

The leveraged buyout is being organised by First Boston, the New York investment bank. Ecusta's current managemeot will continue to run the operations and will be offered a stock interest.

Peat Marwick seeks damages

BY WILLIAM HALL IN NEW YORK

PEAT MARWICK, the world's second biggest accountancy firm, has launched a series of lawsuits seeking damages of up to $135m in a bid to clear its name following allegations that it did not properly audit Penn Square Bank, the small Oklahoma bank whose collapse in 1982 led to the near failure of several big U.S. banks.

Peat Marwick itself was sued last month for $130m by the Federal Deposit Insurance Corporation (FDIC). Aside from alleging that the accountancy firm did not carry out a proper audit, the FDIC also alleged that some of Peat's partners had borrowed money from the bank compromising their ability to carry out a fair and independent audit.

The firm says it believes it acted professionally in its role as auditor and in no way contributed to the failure of Penn Square.

Legal Notices

IN THE MATTER OF SAVENERGY LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 19th day of February, 1985, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Patrick Walter John Hartigan of 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 8th day of January, 1985.
PATRICK WALTER JOHN HARTIGAN, Liquidator.

IN THE MATTER OF J. R. BACON SUPPLIES LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 5th day of February, 1985, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned John Murray Thomson of J. E. Thomson & Co., Richmond House, 135 High St., Amblecote, Stourbridge, West Midlands, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 14th day of January 1985.
JOHN MURRAY THOMSON, Liquidator.

Gencor Group

Gold Mining Companies' Reports for the Quarter ended 31 December 1984

All companies mentioned are incorporated in the Republic of South Africa

MARIEVALE Consolidated Mines Limited

Issued capital – 4 500 000 shares of 25 cents each.

Operating results GOLD	Quarter ended 31.12.1984	Quarter ended 30.9.1984	Year ended 31.12.1984
Mined (m²)	15 831	15 523	58 751
Ore milled (t)	93 000	93 000	360 000
Gold produced (kg)	319	344	1 206
Yield (g/t)	3,4	3,7	3,4
Working revenue (R/t milled)	65,35	65,35	57,28
Working costs (R/t milled)	44,12	44,18	43,46
(R/m² mined)	259,18	264,58	266,33
Working income (R/t milled)	21,23	21,18	13,82
Gold price received (R/kg)	19 162	17 593	17 023
($/oz)	338	348	360

Financial results (R'000)			
GOLD – Working revenue	8 078	8 078	20 620
– Working costs	4 103	4 107	15 647
– Working income	1 975	1 871	4 973
Sundry income – net	246	134	533
Tribute and royalties – net	(63)	–	(137)
Income before taxation	2 158	2 105	5 369
Taxation	1 111	1 195	2 863
Income after taxation	R1 047	R910	R2 506
Dividend declared	1 620	–	2 430

Development			
Advanced (m)	701	562	2 485
Advanced on reef (m)	344	257	1 418
Sampled (m)	339	247	1 392
Channel width (cm)	72	64	64
Average value – gold (g/t)	8,1	6,7	6,7
– (cm.g/t)	581	427	559

Ore reserves, *Kimberley* and *Main Reefs*, as at 31 December 1984

	Available	Unavailable	Inaccessible	Total Mine
Tons (000's)	550	10	10	570
Stope width (cm)	136	104	115	136
Value: – gold (g/t)	5,2	7,0	6,8	5,2
– (cm.g/t)	708	725	757	709

Ore reserve pay limit is calculated at an estimated gold price of R18 100/kg.

REMARKS

Dividend
On 3 December 1984 dividend No. 89 of 36 cents per share was declared payable to members registered on 14 December 1984. Dividend warrants will be posted on 1 February 1985.

Gold forward sales
Gold working revenue includes the effect of closing out of forward sales contracts during the quarter.

LESLIE Gold Mines Limited

Issued capital – 18 000 000 shares of 65 cents each.

Operating results GOLD	Quarter ended 31.12.1984	Quarter ended 30.9.1984
Mined (m²)	80 395	82 924
Ore milled (t)	369 000	295 000
Gold produced (kg)	1 220	1 185
Yield (g/t)	3,4	4,0
Working revenue (R/t milled)	66,97	69,73
Working costs (R/t milled)	36,77	42,71
(R/m² mined)	164,23	152,44
Working income (R/t milled)	30,10	27,02
Gold price received (R/kg)	18 503	17 318
($/oz)	338	348

Financial results (R'000)		
GOLD – Working revenue	24 008	20 641
– Working costs	13 203	12 641
– Working income	10 805	8 000
Sundry income – net	1 297	1 141
Tribute and royalties – net	(32)	–
Income before taxation and State's share of income	12 070	9 141
Taxation and State's share of income	6 939	3 852
Income after taxation and State's share of income	R5 131	R5 289
Capital expenditure	75	517
Dividend declared	–	8 000

Development – *Kimberley Reef*		
Advanced (m)	2 398	2 312
Advanced on reef (m)	506	547
Sampled (m)	474	490
Channel width (cm)	19	19
Average value – gold (g/t)	24,4	31,0
– (cm.g/t)	454	588

REMARKS

Capital expenditure
Amounts approved not yet spent – R5 446 000.
Commitments in respect of contracts placed – R163 000.

Dump Milling
A total of 68 140 tons (September quarter 14 659 tons) was milled ex surface dumps.

Dividend
A dividend of 50 cents per share was paid on 8 November 1984.

Gold Forward Sales
Gold working revenue includes the effect of closing out of forward sales contracts during the quarter.

STILFONTEIN Gold Mining Company Limited

Issued capital – 13 062 920 shares of 50 cents each.

Operating results GOLD	Quarter ended 31.12.84	Quarter ended 30.9.84	Year ended 31.12.84
Mined (m²)	133 043	125 966	510 704
Ore milled (t)	444 000	447 000	1 787 000
Gold produced (kg)	3 598	2 570	10 781
Yield (g/t)	5,8	5,7	6,0
Working revenue (R/t milled)	111,53	102,86	102,61
Working costs (R/t milled)	83,54	83,17	80,78
(R/m² mined)	278,79	295,13	282,65
Working income (R/t milled)	27,99	19,79	21,83
Gold price received (R/kg)	19 025	17 870	18 891
($/oz)	337	350	364

The above figures exclude ore processed for Buffelsfontein Gold Mining Company Limited.

Financial results (R'000)			
GOLD – Working revenue	49 518	46 024	183 360
– Working costs	37 091	37 176	144 352
– Working income	12 427	8 848	39 008
Sundry income – net	2 451	1 856	7 670
Tribute and royalties – net	(3 036)	(903)	(5 051)
Income before taxation and State's share of income	11 842	8 801	40 827
Taxation and State's share of income	1 701	3 481	13 141
Dividend received	14 400	–	20 800
Income after taxation and State's share of income	R24 541	R5 320	R48 486
Capital expenditure	3 053	358	4 158
Dividend declared	23 513	–	40 495

Development	Quarter ended 31.12.84 Vaal Reef	V.C.R.	Quarter ended 30.9.84 Vaal Reef	V.C.R.	Year ended 31.12.84 Vaal Reef	V.C.R.
Advanced (m)	8 021	2 698	8 793	2 854	32 680	11 564
Advanced on reef (m)	888	754	954	507	3 822	2 603
Sampled (m)	711	693	771	406	3 063	2 331
Channel width (cm)	54	42	43	47	40	45
Average value						
– gold (g/t)	15,0	6,9	20,2	6,6	24,5	6,7
– (cm.g/t)	808	285	866	307	980	297
– uranium (kg/t)	0,268	0,085	0,299	0,107	0,359	0,091
– (cm.kg/t)	14,46	3,52	12,82	4,99	14,37	4,04

Ore reserves, *Vaal and V.C. Reefs*, as at 31 December 1984

	Available	Unavailable	Inaccessible	Total Mine
Tons (000's)	2 174	2 084	230	4 488
Stope width (cm)	115	115	115	115
Value: – gold (g/t)	9,2	9,8	11,3	9,6
– (cm.g/t)	1 053	1 130	1 298	1 101
– uranium (kg/t)	0,153	0,153	0,174	0,154
– (cm.kg/t)	17,5	17,6	30,0	17,7

Ore reserve pay limit is calculated at an estimated gold price of R19 100/kg.

REMARKS

Capital expenditure
Amounts approved not yet spent – R5 845 000.
Commitments in respect of contracts placed – R2 115 000.

Dividend
On 3 December 1984 dividend No. 61 of 180 cents per share was declared payable to members registered on 14 December 1984. Dividend warrants will be posted on 1 February 1985.

Gold forward sales
In order to ensure the profitability of the gold mining operations the mine has now sold forward its expected gold production up to September 1985 at prices varying from R20 211 per kilogram in January 1985 to R22 982 per kilogram in September 1985.
The attention of shareholders is drawn to the fact that the above transactions may be closed out prior to maturity date, or rolled over at any time.
The effect of transactions closed out during the quarter is brought to account under the heading "Gold Revenue".

Chemwes Limited

(A subsidiary of Stilfontein Gold Mining Company Limited)
Issued capital – 1 000 shares of R1 each.

Operating results	Quarter ended 31.12.84	Quarter ended 30.9.84	Year ended 31.12.84
Pulp treated (t)	879 000	868 000	3 584 000
Oxide produced (t)	125,1	131,4	523,6
Yield (kg/t)	0,142	0,151	0,146
Financial results (R'000)			
Net income	R5 339	R4 631	R20 399
Capital expenditure	267	244	744
Dividend declared	18 000	–	26 000

REMARKS

Capital expenditure
Amounts approved not yet spent – R485 000.
Commitments in respect of contracts placed – R165 000.

Dividend
A dividend of R19 million was declared on 3 December 1984.

ST. HELENA Gold Mines Limited

Issued capital – 8 625 000 ordinary shares of R1 each.
– 10 115 070 cumulative preference shares of R1 each.

Operating results St. Helena GOLD	Quarter ended 31.12.1984	Quarter ended 30.9.1984	Year ended 31.12.1984
Mined (m²)	142 898	136 343	521 644
Ore milled (t)	587 000	570 000	2 297 000
Gold produced (kg)	3 052	2 964	12 343
Yield (g/t)	5,2	5,2	5,4
Working revenue (R/t milled)	100,08	90,97	90,27
Working costs (R/t milled)	47,75	48,60	48,15
(R/m² mined)	196,15	202,44	212,03
Working income (R/t milled)	52,33	42,37	42,12
Gold price received (R/kg)	19 257	17 436	18 772
($/oz)	334	343	360
Beisa Section GOLD			
Mined (m²)	–	2 444	164 887
Ore milled (t)	–	52 000	579 000
Gold produced (kg)	28	226	1 288
Yield (g/t)	–	4,3	2,2
URANIUM			
Pulp treated (t)	2 000	81 300	629 500
Oxide produced (t)	7,4	48,7	360,7
Yield (kg/t)	–	0,60	0,57

Financial results (R'000) St. Helena			
GOLD – Working revenue	58 748	51 852	207 356
– Working costs	28 029	27 702	110 603
– Working income	30 718	24 150	96 753
Sundry income	2 202	2 996	8 325
Income before taxation and State's share of income	32 921	27 146	105 078
Taxation and State's share of income	11 060	8 998	42 408
Income after taxation and State's share of income	R21 861	R18 148	R63 670
Appropriation for capital expenditure	13 306	10 385	34 164
Actual capital expenditure	13 306	18 389	34 164
Dividend declared	15 881	–	30 900

Development St. Helena	Quarter ended 31.12.1984 Leader Reef	Basal Reef	Quarter ended 30.9.1984 Leader Reef	Basal Reef	Year ended 31.12.1984 Leader Reef	Basal Reef
Advanced (m)	676	2 238	423	1 767	3 040	8 232
Advanced on reef (m)	327	222	212	168	1 742	998
Sampled (m)	306	172	156	148	1 610	639
Channel width (cm)	168	100	144	111	139	94
Average value						
– gold (g/t)	3,6	10,6	4,5	10,5	3,4	17,4
– (cm.g/t)	618	1 062	642	1 170	474	1 631

Ore reserves, *Basal and Leader Reefs*, as at 31 December 1984

	Available	Unavailable	Inaccessible	Total Mine
Tons (000's)	6 770	2 860	220	9 850
Stope width (cm)	117	123	117	118
Value: – gold (g/t)	11,1	9,2	12,0	10,6
– (cm.g/t)	1 296	1 128	1 356	1 250

Ore reserve pay limit is calculated at an estimated gold price of R18 100/kg.

REMARKS

St. Helena

Capital expenditure
Amounts approved not yet spent – R73 852 000.
Commitments in respect of contracts placed – R18 339 000.

Dividend
On 3 December 1984 dividend No. 58 of 165 cents per ordinary share was declared payable to members registered on 14 December 1984. Dividend warrants will be posted on 1 February 1985.

No. 10 Shaft
The shaft has reached a depth of 336 metres. A water-bearing zone between 318 and 350 metres has hampered progress.

Beisa Section

Capital expenditure
There was no capital expenditure during the quarter (September quarter – nil). Sale of assets for the quarter amounted to R11,8 million (September 1984 quarter R3,6 million) and is progressing satisfactorily.

Closure of the mine
During November 1984 the underground pumps were removed and the mine has been flooded to the rest water level.

WEST RAND Consolidated Mines Limited

Issued capital – 4 250 000 ordinary shares of R1 each.
– 25 000 deferred shares of R2 each.

Operating results GOLD	Quarter ended 31.12.1984	Quarter ended 30.9.1984	Year ended 31.12.1984
Mined (m²)	108 408	104 013	418 694
Ore milled (t)	499 800	518 100	2 123 800
Gold produced (kg)	1 036	1 076	4 359
Yield (g/t)	2,1	2,1	2,1
Working revenue (R/t milled)	39,25	35,26	34,29
Working costs (R/t milled)	35,88	35,21	33,30
(R/m² mined)	165,41	175,38	168,51
Working income (R/t milled)	3,37	0,05	0,99
Gold price received (R/kg)	18 897	16 933	18 671
($/oz)	339	343	364

Financial results (R'000)			
GOLD – Working revenue	18 818	18 269	72 831
– Working costs	17 932	18 242	70 724
– Working income	1 884	27	2 107
Uranium income	1 694	2 065	7 072
Sundry income – net	1 349	1 232	4 367
Income before taxation	4 727	3 324	13 546
Taxation	2 252	1 245	6 105
Income after taxation	2 475	2 079	7 441
Capital expenditure	(12)	148	293
Dividends declared	3 400	–	4 633

Development			
Advanced (m)	4 306	4 909	17 804
Advanced on reef (m)	2 063	1 814	7 277
Sampled (m)	2 115	1 932	7 449
Channel width (cm)	78	77	82
Average value – gold (g/t)	8,5	6,9	6,7
– (cm.g/t)	661	529	547

Ore reserves, as at 31 December 1984

	Available	Unavailable	Inaccessible	Total Mine
Tons (000's)	921	411	4 936	6 268
Stope width (cm)	92	112	107	105
Value: – gold (g/t)	5,9	5,5	6,4	6,3
– (cm.g/t)	547	620	688	660

Ore reserve pay limit is calculated at an estimated gold price of R18 100/kg.

REMARKS

Capital expenditure
Amounts approved not yet spent – R736 000.
Commitments in respect of contracts placed – R10 000.

Dump milling
A total of 146 500 tons (September quarter 165 000) was milled ex surface dumps and 25 300 tons (September quarter 18 900 tons) ex surface slimes dam was treated.

Dividend
On 3 December 1984 dividend No. 106 of 80 cents per ordinary share and dividend No. 97 of 3 400 cents per deferred share were declared payable to members registered on 14 December 1984. Dividend warrants will be posted on 1 February 1985.

Gold Forward Sales
In order to ensure the profitability of the gold mining operations the mine has now sold forward its expected gold production up to October 1985 at prices from R19 133 per kilogram in January 1985 to R22 901 per kilogram in October 1985.
The attention of shareholders is drawn to the fact that the above transactions may be closed out prior to maturity date, or rolled over at any time.
The effect of transactions closed out during the quarter is brought to account under the heading "Gold Revenue".

Deep Shaft
Resulting from a feasibility study into the viability of working the Main and South Reefs in the Deep Shaft area, a decision was taken to abandon these workings.

BUFFELSFONTEIN Gold Mining Company Limited

Issued capital – 11 000 000 ordinary shares of R1 each.
– 12 400 158 non-cumulative preference shares of R1 each.

Operating results Buffelsfontein GOLD	Quarter ended 31.12.84	Quarter ended 30.9.1984	6 months ended 31.12.1984
Mined (m²)	218 814	235 998	454 812
Ore milled (t)	878 000	889 000	1 768 000
Gold produced (kg)	7 603	7 477	15 080
Yield (g/t)	8,7	8,4	8,5
Working revenue (R/t milled)	169,16	148,82	158,93
Working costs (R/t milled)	82,86	80,85	81,85
(R/m² mined)	332,50	304,23	317,83
Working income (R/t milled)	86,30	67,97	77,08
Gold price received (R/kg)	19 496	17 639	18 575
($/oz)	335	348	343

The above figures include ore processed by Stilfontein Gold Mining Company Limited from the surface stockpile.

URANIUM			
Pulp treated (t)	769 000	798 000	1 557 000
Oxide produced (t)	168,5	153,0	321,5
Yield (kg/t)	0,22	0,18	0,21
Beatrix Section GOLD			
Mined (m²)	48 717	18 843	66 560
Ore milled (t)	219 000	118 000	335 000
Gold produced (kg)	962	380	1 342
Yield (g/t)	4,5	3,2	4,0

Financial results (R'000) Buffelsfontein			
GOLD – Working revenue	148 526	132 153	280 879
– Working costs	72 755	71 798	144 553
– Working income	75 771	60 355	136 126
URANIUM – Working income	4 324	2 735	7 059
Sundry income – net	5 672	3 983	8 655
Dividend received	3 600	–	3 600
Tribute and royalties – net	(7 895)	(6 526)	(14 421)
Income before taxation and State's share of income	81 472	60 547	142 018
Taxation and State's share of income	11 511	8 696	20 207
Income after taxation and State's share of income	R69 961	R51 851	R121 812
Appropriation for capital expenditure	40 970	32 663	73 633
Actual capital expenditure	7 985	7 252	15 237
Dividend declared	41 250	–	41 250

Development Buffelsfontein – *Vaal Reef*			
Advanced (m)	13 965	12 299	26 264
Advanced on reef (m)	816	807	1 723
Sampled (m)	870	678	1 548
Channel width (cm)	88	121	103
Average value – gold (g/t)	20,2	13,7	16,8
– (cm.g/t)	1 778	1 662	1 727
– uranium (kg/t)	0,722	0,484	0,598
– (cm.kg/t)	63,52	58,63	61,38

REMARKS

Buffelsfontein

Capital expenditure
Amounts approved not yet spent – R42 602 000.
Commitments in respect of contracts placed – R1 582 197.

Dividend
On 3 December 1984 dividend No. 55 of 375 cents per ordinary share was declared payable to members registered on 14 December 1984. Dividend warrants will be posted on 1 February 1985.

Beatrix Section

Capital expenditure
Capital expenditure for the quarter amounted to R33,7 million, including interest of R22,3 million which has been capitalised (September 1984 quarter R41,8 million including interest of R20,8 million capitalised).
Income from gold sales amounted to R19,4 million (previous quarter R6,8 million) at a gold price of R20 101 per kilogram (previous quarter R17 368 per kilogram) and was credited to capital expenditure.
Amounts approved not yet spent – R67 548 000.
Commitments in respect of contracts placed – R9 562 000.

Development Beatrix Section – *Beatrix Reef*			
Advanced (m)	8 096	8 905	18 001
Advanced on reef (m)	2 526	2 648	5 174
Sampled (m)	2 180	2 517	4 697
Channel width (cm)	54	58	56
Average value – gold (g/t)	16,9	17,8	17,2
– (cm.g/t)	905	1 013	963

WINKELHAAK Mines Limited

Issued capital – 12 180 000 shares of R1 each.

Operating results GOLD	Quarter ended 31.12.1984	Quarter ended 30.9.1984
Mined (m²)	155 818	152 364
Ore milled (t)	610 000	610 000
Gold produced (kg)	3 569	3 662
Yield (g/t)	5,9	6,0
Working revenue (R/t milled)	115,49	105,30
Working costs (R/t milled)	44,28	41,32
(R/m² mined)	173,33	169,45
Working income (R/t milled)	71,21	63,98
Gold price received (R/kg)	18 542	17 461
($/oz)	337	349

Financial results (R'000)		
GOLD – Working revenue	70 448	64 231
– Working costs	27 008	25 207
– Working income	43 440	39 024
Sundry income – net	5 406	3 338
Tribute and royalties – net	(438)	(415)
Income before taxation and State's share of income	48 408	41 947
Taxation and State's share of income	31 721	25 332
Income after taxation and State's share of income	R16 687	R16 615
Capital expenditure	1 687	2 669
Dividend declared	–	24 969

Development – *Kimberley Reef*		
Advanced (m)	4 031	3 653
Advanced on reef (m)	732	728
Sampled (m)	752	705
Channel width (cm)	65	69
Average value – gold (g/t)	13,7	17,7
– (cm.g/t)	893	1 226

REMARKS

Capital expenditure
Amounts approved not yet spent – R19 485 000.
Commitments in respect of contracts placed – R735 000.

Dividend
A dividend of 205 cents per share was paid on 8 November 1984.

KINROSS Mines Limited

Issued capital – 18 000 000 stock units of R1 each.

Operating results GOLD	Quarter ended 31.12.1984	Quarter ended 30.9.1984
Mined (m²)	153 770	142 783
Ore milled (t)	555 000	545 000
Gold produced (kg)	3 663	3 380
Yield (g/t)	6,6	6,2
Working revenue (R/t milled)	129,85	108,85
Working costs (R/t milled)	50,43	48,23
(R/m² mined)	182,03	184,10
Working income (R/t milled)	79,42	60,62
Gold price received (R/kg)	19 605	17 473
($/oz)	338	350

Financial results (R'000)		
GOLD – Working revenue	72 068	59 322
– Working costs	27 990	26 287
– Working income	44 079	33 035
Sundry income – net	3 356	3 134
Tribute and royalties – net	–	–
Income before taxation and State's share of income	47 434	36 169
Taxation and State's share of income	30 003	20 845
Income after taxation and State's share of income	R17 431	R15 324
Appropriation for capital expenditure	2 148	2 241
Actual capital expenditure	460	(76)
Dividend declared	–	19 440

Development – *Kimberley Reef*		
Advanced (m)	5 189	4 689
Advanced on reef (m)	1 171	1 219
Sampled (m)	1 130	1 209
Channel width (cm)	50	53
Average value – gold (g/t)	18,1	18,9
– (cm.g/t)	951	1 061

REMARKS

Capital expenditure
Amounts approved not yet spent – R18 773 000.
Commitments in respect of contracts placed – R590 000.

Dividend
A dividend of 108 cents per stock unit was paid on 8 November 1984.

The GROOTVLEI Proprietary Mines Limited

Issued capital – 11 436 819 stock units of 25 cents each.

Operating results GOLD	Quarter ended 31.12.1984	Quarter ended 30.9.1984	Year ended 31.12.1984
Mined (m²)	118 642	118 048	471 221
Ore milled (t)	510 000	508 000	2 001 000
Gold produced (kg)	2 002	2 032	[illegible]
Yield (g/t)	3,9	4,0	3,8
Working revenue (R/t milled)	76,44	70,16	68,25
Working costs (R/t milled)	43,21	41,43	41,78
(R/m² mined)	185,74	178,30	177,40
Working income (R/t milled)	33,23	28,73	22,47
Gold price received (R/kg)	19 424	17 499	18 919
($/oz)	336	351	362

Financial results (R'000)			
GOLD – Working revenue	38 985	35 644	130 568
– Working costs	22 036	21 048	83 594
– Working income	16 949	14 596	46 972
Sundry income – net	1 404	582	2 347
Tribute and royalties – net	(55)	17	[illegible]
Income before taxation	18 298	15 196	49 230
Taxation	10 457	6 759	27 044
Income after taxation	R7 841	R8 437	R22 186
Capital expenditure	807	446	3 039
Dividend declared	11 896	–	19 874

Development	Quarter ended 31.12.1984 Black Reef	Kimberley Reef	Quarter ended 30.9.1984 Black Reef	Kimberley Reef	12 months 31.12.1984 Black Reef	Kimberley Reef
Advanced (m)	480	2 817	359	2 885	1 213	9 287
Advanced on reef (m)	357	1 676	284	1 804	800	4 749
Sampled (m)	351	1 668	298	1 594	782	4 698
Channel width (cm)	177	15	192	15	177	16
Average value						
– gold (g/t)	5,5	16,1	14,8	20,8	10,0	19,8
– (cm.g/t)	984	242	2 845	312	1 776	317

Ore reserves, *Main, Kimberley and Black Reefs*, as at 31 December 1984

	Available	Unavailable	Inaccessible	Total Mine
Tons (000's)	2 410	1 040	2 200	5 650
Stope width (cm)	111	107	131	117
Value: – gold (g/t)	6,1	4,9	4,4	5,2
– (cm.g/t)	677	522	579	611

Ore reserve pay limit is calculated at an estimated gold price of R19 100/kg.

REMARKS

Capital expenditure
Amounts approved not yet spent – R8 254 000.
Commitments in respect of contracts placed – R2 073 000.

Dividend
On 3 December 1984 dividend No. 92 of 104 cents per unit of stock was declared payable to members registered on 14 December 1984. Dividend warrants will be posted on 1 February 1985.

BRACKEN Mines Limited

Issued capital – 14 000 000 shares of 90 cents each.

Operating results GOLD	Quarter ended 31.12.1984	Quarter ended 30.9.1984
Mined (m²)	69 269	68 246
Ore milled (t)	249 000	246 000
Gold produced (kg)	949	837
Yield (g/t)	3,8	3,4
Working revenue (R/t milled)	74,21	59,58
Working costs (R/t milled)	41,27	39,87
(R/m² mined)	148,39	159,11
Working income (R/t milled)	32,84	18,96
Gold price received (R/kg)	19 125	17 068
($/oz)	328	349

Financial results (R'000)		
GOLD – Working revenue	18 478	14 403
– Working costs	10 275	9 809
– Working income	8 203	4 594
Sundry income – net	1 058	1 095
Tribute and royalties – net	(192)	(70)
Income before taxation and State's share of income	9 069	5 619
Taxation and State's share of income	6 612	2 714
Income after taxation and State's share of income	R3 097	R2 905
Capital expenditure	79	100
Dividend declared	–	4 900

Development – *Kimberley Reef*		
Advanced (m)	961	1 027
Advanced on reef (m)	277	373
Sampled (m)	273	379
Channel width (cm)	53	44
Average value – gold (g/t)	9,3	8,3
– (cm.g/t)	494	364

REMARKS

Capital expenditure
Amounts approved not yet spent – R985 000
Commitments in respect of contracts placed – Nil

Dividend
A dividend of 35 cents per share was paid on 8 November 1984.

Gold Forward Sales
Gold working revenue includes the effect of closing out of forward sales contracts during the quarter.

UNISEL Gold Mines Limited

Issued capital – 28 000 000 shares of no par value.

Operating results GOLD	Quarter ended 31.12.1984	Quarter ended 30.9.1984
Mined (m²)	62 288	62 504
Ore milled (t)	336 000	335 000
Gold produced (kg)	2 265	2 244
Yield (g/t)	6,7	6,7
Working revenue (R/t milled)	130,96	119,00
Working costs (R/t milled)	45,53	44,51
(R/m² mined)	245,60	238,54
Working income (R/t milled)	85,43	74,49
Gold price received (R/kg)	19 813	17 586
($/oz)	339	342

Financial results (R'000)		
GOLD – Working revenue	44 003	39 866
– Working costs	15 298	14 910
– Working income	28 705	24 956
Sundry income – net	2 557	3 458
Milling fee	(1 687)	(1 750)
Income before taxation and State's share of income	29 575	26 663
Taxation and State's share of income	19 445	13 857
Income after taxation and State's share of income	R11 130	R12 806
Capital expenditure	555	2 813
Dividend declared	–	15 120

Development	Quarter ended 31.12.1984 Basal Reef	Middle Reef	Leader Reef	Quarter ended 30.9.1984 Basal Reef	Middle Reef	Leader Reef
Advanced (m)	1 432	78	61	1 532	58	143
Advanced on reef (m)	289	86	36	324	32	98
Sampled (m)	252	59	27	317	29	95
Channel width (cm)	138	151	164	157	128	229
Average value						
– gold (g/t)	20,4	12,5	3,7	12,7	4,3	2,7
– (cm.g/t)	2 808	1 883	677	2 000	555	625

REMARKS

Capital expenditure
Amounts approved not yet spent – R2 038 000.
Commitments in respect of contracts placed – R999 000.

Dividend
A dividend of 54 cents per share was paid on 8 November 1984.

NOTES

1. Development values quoted above represent actual results of sampling, and no allowance has been made for any adjustments which may be, or were, necessary when estimating ore reserves at the end of the financial years.
2. All financial figures are unaudited.
3. The quarterly reports have been approved and signed on behalf of the respective companies by two directors.
4. The tonnage and grade of ore reserves in respect of Grootvlei, Marievale and St. Helena have been affected by the following:
   – The size of the ore reserve blocks has been increased to accommodate the increased rate of face advance.
   – The ore reserves are based on a face measurement, whereas previously the stope width used made allowance for stope dilution and shortfall.
5. – Unavailable ore reserves are reserves which cannot be made available for mining during the next twelve months.
   – Inaccessible ore reserves are blocks which may only be mined towards the end of the life of the mine.

Johannesburg, 16 January 1985

London Secretaries, 30 Ely Place, London, EC1N 6UA

Fermenta to issue 1.6m shares

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

FERMENTA, the fast growing Swedish biotechnology and fine chemicals company, is to issue up to 1.6m new shares to finance its purchase of an 83 per cent stake in Pierrel, the Itallan producer of chemicals, pharmaceuticals and consumer products in a deal worth around $32m.

It is purchasing a 51 per cent stake from Distrust, a Geneva-based holding company owned by the De Nora family, and a further 32 per cent holding from Bastogi, the Italian industrial bolding group.

Up to 700,000 Fermenta shares are to be pald to Dirtrust for 13.5m of its Pierrel shares, equlvalent to 32 per cent of the Pierrel equlty.

Fermenta shares are currently trading in Stockholm at around SKr 203 a share—the highest level since the Fermenta stock waa launched last summer — putting a market value of some SKr 140m ($15.3m), on the first stage of the transaction, which must be completed by the end of January.

It is planned that the other 51 per cent of the Pierrel equity will be purchased initially by Svenska International, the London-based subsidiary of Svenka Handelsbanken. The *final price is to be settled today* but it is expected to be around $18m.

Fermenta is to prepare a private placement of up to 900,000 shares in tbe London market through Svenska International in the spring in payment for the 51 per cent Pierrel stake.

Fermenta bas already issued around 800,000 shares through the London market to fund its earlier purchase last year of Pro-Chim Re, another Italian company.

Mr Gaston Portefaix, finance dlrector, said that Fermenta last year earned around SKr 80m—before tax and allocations to reserves—on a turnover of SKr 440m.

Without the Pierrel takeover sales are expected to jump to some SKr 700m with profits rising to SKr 154m, boosted by other acquisitions completed late last year, including a semi synthetic penicillins plant in the U.S. from Wyeth, a U.S. pharmaceuticals company.

Pierrel bad sales last year of around SKr 760m and a work*force of some 1,300. Fermenta* is expected to dispose of some of Pierrel's activities in consumer products such as toothpaste and hyglene products, but the Itailan acquisition is still likely to add around SKr 650m to the Fermenta group turnover on an annual basis.

Fermenta accounts for around 10 per cent of world production of bulk penicillins, intermediate chemicals used in the manufacture of pharmaceuticals.

Sandoz lifts turnover to record level

By John Wicks in Zurich

SANDOZ, THE Swiss chemical concern, has reported a 14 per cent rise in group turnover last year to a record level of SwFr 7.43bn ($2.77bn). In terms of local currency, sales roac by 18 per cent.

All product divisions contributed to this overall increase, with a particular npswing — of 26 per cent to SwFr 580m —in the agricultural products divisioo, due largely to the recovery of U.S. demand and tbe strong dollar.

North American markets also performed very well in the pharmaceuticals sector. This fact, together with a boost from newer drugs, led to a 14 per cent growth to SwFr 3.45bo. In spite of a slight downturn in some customer Industries in the second half, the dyes division showed a rise of 11 per cent for tbe year to *SwFr 1.68bn.*

Elsewhere, food dlvisioo turnover went up 142 per cent to SwFr 1.04bn, again with above average growth in the U.S., while the seeds division boked a 14 per cent increase to SwFr 680m.

Loss at French cigarette maker blamed on strike

BY DAVID MARSH IN PARIS

SEITA, the Frencb state-owned tobacco monopoly, suffered an operating loss of FFr 183m ($18.8m) last year in spite of buoyant cigarette sales and a 10 per cent increase in turnover (iocluding tax) to FFr 30.5bn.

The company blamed the losses—which follow an operating profit of FFr 34m in 1983—on a strike wbich held up tobacco distribution throughout France at the end of last year, as well as on insufficlent tobacco price increases.

Selta, wbich has been a constant drain on governmeot funds in the last few years, made a net loss of FFr 110m in 1983 after takiog into account large provisions. The figure for last year's net loss has not yet been calcutated.

Seita managed to increase domeatic tobacco aalea last year by 1.2 per cent in volume terms to 99.5bn units, following increases of 1.3 per cent and 0.6 per cent in the previous two years.

But although it controls tobacco distribution throughout France, Seita has come under increasing attack from foreign tobacco groups whose light cigarette brands have made strong headway in recent years. Led by Peter Stuyvesant (*Rothmans*) and *Marlboro* (Philip Morris), the foreign branda have bitten deeply into sates of Seita'a dark Gitanes and Gauloises cigarettes. With Seita's existing light Royale cigarette falling in sales, it was forced to bring out its own tight Gauloise brand last year.

Light cigarettes now make up about 47 per cent of French cigarette consumption, against only 12 per cent in 1976. One reason for buoyant French cigarette sales is that prices rose only 2 per cent last year and the Government scrapped an extra tax, brought in originally to belp fund social security, in mid-year. French cigarette prices are due to rise this spring, and Selta is pressing for a large enough increaae to bring its financea back into the black.

● Skia Rossignol, the French sports gods manufacturing group, has revised its forecast of earnings per share for the 12 months eoding March 31 to FFr 110, an increase of 10 per cent from the previously projected level.

The group said the upward revision was partly thanks to the expanding contribution to group earnings of its new tennis racket division. The group's earnings per share for the 12 months ended March 31 1984 atod at FFr 73 francs.

Skis Rossignol said consolidated sales for the 1984-85 financial year should be on target at FFr 1.15bn.

● Cap Gemini Sogeti, the Grenoble-based company which is Europe'a leading computer service group, maintained its high flying growth rate last year with estimated net profits up 31 per cent to FFr 95m ($9.75m).

The company, which is not quoted on the bourse but is controlled by staff and a family bolding group, boosted consolidated turnover by 28 per cent to FFr 1.8bn.

Sales outside France came to 56 per cent of turnover last year, with 27 per cent representing activitles io the U.S.

This year the group is forecasting net profits of around FFr 120m on turnover of FFr 2.2bn.

Japan MoF sets rules for money market certificates

TOKYO—The Japanese Ministry *of Finance (MoF) has announ*ced rules for the introduction of money market certificates (MMC), a step which bankers say will accelerate the deregulation of Japanese interest rates.

The plan, approved by a ministerial advisory body, calls for maturities of one to six months with a minimum denomination of Y50m ($196,000).

The announcement did not say wben the certificates will be introduced bu MoF, officials said the starting date will be in early April.

The MoF plans to set a ceiling on interest rates offered by private banks on MMCs. For the time being, this will be 0.75 percentage point below the average issue rate of yen-denominated certificates of deposit (CDs). The average will be compiled by the Bank of Japan each week.

Untit now, CDs bave been the only depository instruments in Japan whicb have interest rates fluctuating in line with prevailing market forces. Interest rates on all other deposits are regulated.

Banks, whose MMC issue limits will be determined later, can set interest rates below the ceiling.

The MoF said it will later consider extending the maturity *and reducing the minimum size.*

1 The planned MMCs will help banks, especially small ones, tap deposits from medium-size *investors. Originally, Japanese* mutual savings and finance banks proposed creating MMCs to win back clients from medium-term Government bond investment funds provided by securities bouses.

Reuter

Banco do Brasil turns in sharply higher earnings

BY ANNE CHARTERS IN SAO PAULO

BANCO DO BRASIL, a quasi pnblic sector bank with shares widely traded and the country's largest financial institution, registered a profit after tax totalling Cr 1,826bn ($998m) for 1984, an increase of 273 per cent over 1983. The result bas been *corrected for inflation* and represents real earnings.

Profits from the second balf of the year, which were equivalent to Cr 1,341bn, are traditionally higher because of receipts from agricultural loans then falling due.

Sr. Oswaldo Colin, president of the bank, confirmed that domestic operations, apart from *companies where the* bank has equity participation or a controlling interest, continued to be the main source of earnings. The bank's 70 hverseas branches contributed only Cr 447bn ($244m) of total profit.

Earnings per share equalled Cr 7.54.

There is also a distribution of one new share for each two *shares owned. Sr Colin* indicated that a stock premium was declared to collaborate with the Government in not expanding the money supply. Last year, the bank paid a dividend of Cr 47.11 per share.

Commenting on prospects for *1985, Sr Colin indicated* that the bank is discussing with the Ministry of Finance this year's 60 per cent ceiling on new loans which waa imposed on the Banco do Brasil at a meeting of the national monetary council at the *end of December.* In the *bank's* view, the ceiling should be lmposed on the expansion of new money, and not on the outstanding balance of loans as of the end of last year. The bank maintains that the current ceiling will unduly restrict its growth.

The controversial regulation from the National Monetary Council, undertaken it is thought as a result of pressure from the International Monetary Fund to improve control of the country's money supply, was passed at the same time as wider ranging changes to the bank's activities. The changes are now in suspense pending judicial hearing.

Banco do Brasil has traditionally exercised functions for the government which are usually performed by a central bank, thereby giving it competitive advantages over commercial banks.

Bagnasco's hotel chain doubles pre-tax profit

BY ALAN FRIEDMAN IN MILAN

CIGA HOTELS, the luxury Italian hotel chain controlled by Sig Orazio Bagnasco, *has un*veiled a 1984 pre-tax profit of L16bn ($8.2m), double the level of the previous year.

The Ciga results, achieved on a 1984 turnover up 22.5 per cent to L185bn, is at least one spot of good news *to come out of the* embattled Bagnasco beadquarters in Lugano. Sig Bagnasco'a other major business activity, bis L1,000bn Europrogramme unit trust property fund, is under legal siege as criminal investigation into the fund'a dealings continne in Italy and Switzerland. The Swiss authorities have banned any redemptions of Europrogramme shares while the group faces a liquidity crisis.

The separate Ciga group, which is quoted on the Milan bourse (Europrogramme units *are unquoted), looks increas*ingly likely to be Sig Bagnasco'a main area of interest in futre. In a recent interview he discussed the possibility of liquidating Europrogramme and "dedicating myself to tourism and botels."

The Ciga share price, however, dropped by L62 to L5,350 on the news, a curious reaction *to doubled earnings.*

Last year the number of guests staying at Ciga hotels, which include the famous Gritti Palace and Danieli on the Grand Canal in Venice, rose by 9.5 per cent to a record of just over 1m. Ciga says it invested L32bn in modernising its hotels, an increase from the L18bn spent in 1983.

Handelsbank NW raises payout

BY OUR ZURICH CORRESPONDENT

HANDELSBANK NW of Zurich, is proposing to increase its 1984 dividend from 12 per cent to 13 per cent.

The bank, which is affiliated to the NatWest group, booked an 11 per cent rise in net profits from SwFr 13.5m to SwFr 15m ($5.6m) last year. Consolidated cash flow improved 22 per cent to SwFr 31m.

The balance sheet total rose by 6 per cent to SwFr 2.75bn or after consolidation by 8 per cent to SwFr 3.5bn. The fact that earnings showed a sharper growth rate is attributed mainly to a further expansion *of financial services, particu*larly in the non-interest sector.

The Nassau-based subsldiary, Handelsbank NW (Overseas) ia to pay a 12 per cent dividend on SwFr 10m capltal after an 8 per cent improvament ln net earnings to SwFr 5.505m.

FREE STATE DEVELOPMENT AND INVESTMENT CORPORATION LTD.

(Incorporated in the Republic of South Africa)

INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER, 1984

INCOME STATEMENT

(unaudited)

	Six months ended 31.12.84 R000	Six months ended 31.12.83 R000	Year ended 30.6.84 R000
Income from listed investments	1 090	1 047	2 083
Interest received	121	99	221
Share of mining profits	118	105	74
Sundry revenue	19	—	6
	1 348	1 251	2 384
Cost of administration	69	54	106
Net normal income	1 279	1 197	2 278
Profit on realisation of investments less provisions (refer note 2)	20	—	48
Profit before tax	1 299	1 197	2 326
Tax	88	70	139
Profit after tax	1 211	1 127	2 187
Dividends	726	635	1 996
Retained profit	485	492	191
Earnings—cents per share	33.4	31.0	60.2
Dividends—cents per share			
—Interim	20.0	17.5	17.5
—Final	—	—	37.5

DIVIDEND No. 25

An interim dividend of 20.0 cents per share has been declared for the six months ended 31 December 1984.

Last date for registration .... 8 February 1985
Registers close (dates inclusive) from ... 9 February 1985
to ...... 15 February 1985
Currency conversion dates (for payments from London) .... 25 February 1985
Date of payment .... 11 March 1985

The dividend is payable subject to the customary conditions which may be inspected at or obtained from the company's Johannesburg office or from the office of the London Secretaries (Barnato Brothers, 99 Bishopsgate, London EC2M 3XE).

By order of the board
JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED
Secretaries
per: D. A. FREEMANTLE

Head Office and Registered Office:
Consolidated Building
corner Fox and Harrison Streets
Johannesburg 2001

Postal address:
P.O. Box 590
Johannesburg 2000

16 January 1985

BALANCE SHEET

(unaudited)

	31.12.84 R000	31.12.83 R000	30.6.84 R000
NET ASSETS			
Listed investments	7 356	7 086	7 134
Unlisted investments and mineral and participation rights	443	443	443
	7 799	7 529	7 577
Loan portion of tax	3	3	3
Net current assets	663	749	400
Current assets	1 513	1 486	2 007
Less: Current liabilities	850	737	1 607
	8 465	8 281	7 980
FINANCED BY			
Issued share capital	1 815	1 815	1 815
Distributable reserve	6 650	6 466	6 165
	8 465	8 281	7 980
	R000	R000	R000
Listed investments—market value	38 032	35 001	38 209
Unlisted investments—directors' valuation	1 565	1 420	1 565
	39 597	36 421	39 774
Book value	7 799	7 529	7 577
Appreciation	31 798	28 892	32 197
Number of ordinary shares in issue at end of period (000's)	3 630	3 630	3 630
Net asset value (including unlisted investment at directors' valuation and mineral rights at book value)—cents per share	1 109	1 024	1 107

Portfolio Changes

The following changes were effected to the portfolio during the half year ended 31 December 1984:

Sales
2 000 Buffelsfontein Gold Mining Company Ltd
50 000 Rooiberg Tin Limited

Purchases
5 000 Apex Mines Limited
27 200 The Clydesdale (Transvaal) Collieries Limited
5 000 Winkelhaak Mines Limited

Notes:
1. The net asset value for the half-year has been calculated after payment of the interim dividend.
2. No provision for possible losses on future realisations of investments has been included in the half-yearly results, as any necessary adjustment is made at the year-end.
3. It should not be assumed that the results for the first six months of the financial year will be repeated in the remaining six months, because:
   (a) income from investments and the company's share of mining profits do not accrue evenly throughout the year, and
   (b) the realisation of investments fluctuates in accordance with policy decisions and market conditions.

For and on behalf of the board
B. J. JACKSON
M. D. HENSON } Directors

Kuwait's banks pressed to drop payout

By David Lascelles in Kuwait

FOR YEARS KUWAITI banks have traditionally been so confident of making good profits that they have declared their dividends in early December, before completing their accounts for the year let alone presenting them to the central bank for approval.

This year, however, things are different. Not only did the banks fail to make their usual December announcements, but they may not even pay a dividend — because of the problems facing the Kuwait economy.

All this week bankers have been closeted with the central bank, which is taking an unusually tough line, asking for details of their bad loans, and apparently keen to see all 1984 profits ploughed back into reserves.

So far only two of the eight or so large banks have made any announcement. One is the Burgan Bank, the newest and smallest, which reported a sharp fall in profits per share and passed its dividend. The other is the Kuwait Finance House, a bank operating on Islamic principles, which cancelled both its dividend to shareholders and the share of profits it pays to depositors in lieu of interest, causing some disgusted customers to withdraw their money.

Soukh crisis

The sharp change in Kuwait's normally prosperous banking climate can be put down to two things: the deterioration of the economy and the still lingering effects of the 1982 Soukh al Manakh shares crisis. The softening of the oil price and the shadow of the Iran-Iraq war, with the front line only 100 miles away, have hastened the end of a boom which was slowing anyway now that the country's infrastructure is more or less complete.

Real estate values, the cornerstone of many Kuwaitis' personal wealth, have plummetted, with rents in the prime financial district falling by more than half. The withdrawal of government support for the official stock exchange has resulted in a 46 per cent decline in the share values over the last year.

Meanwhile, the authorities are still trying to disentangle the multi-billion dinar debts left by the Soukh's chain of postdated cheques. Although the banks are not directly exposed to the Soukh crisis (they were not allowed to finance stock speculation) some of their clients are now in severe difficulty. Some banks also lost money by dealing in postdated cheques.

According to some estimates about 20 per cent of the KD 4.3bn (US$14.1bn) total of bank loans to the private sector is now doubtful, either because of the personal difficulties of the borrower or the decline in value of the collateral put up for loans.

Among the short-term solutions to these problems tried so far was an attempt by the business community to boost share prices in November so that losses did not look so bad at the year-end balance sheet date, but this did not get off the ground. Another was a proposal to postpone the day of reckoning by not requiring companies to make up 1984 balance sheets but this has been dropped.

Capital ratios

However, companies which withhold dividends may spread their stock market and property-related losses over three years. This relief does not apply to banks, however, and some of them have begun to take delinquent customers to court.

There is also talk of creating a new institution capitalised by the banks to take on the doubtful loans and renegotiate them by giving borrowers more time to pay and lowering the rate of interest.

The extent of the banks' problem loans, which must run to several hundreds of millions of dinars, has to be compared with total published capital reserves in the banking system at the end of 1983 of KD 770m. In addition the banks have substantial hidden reserves of probably nearly as much again, providing them with a plump cushion against any losses.

Kuwaiti banks have seldom reported more than a third of their true profits, and they pay no tax. Stock analysts here say their capital ratios are about double those of average European or U.S. banks.

In Kuwait there is confidence that the banks can weather the crisis given their ample reserves.

However, if there are indeed no dividends—and the Kuwaiti Press has called for prudence—it would be a stark indication of the pressures facing the country's banks, and some concern has been expressed about the possible impact on the way this would be seen abroad.

Blow for Portland smelter as investor backs away

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE apparently ill-fated A$1.1bn (U.S.$900m) Portland aluminium project in Victoria, Australia, was dealt another blow yesterday when the Commonwealth Superannuation Fund Investment Trust (CSFIT) decided not to proceed with plans to take a 15 per cent stake.

The other partners are Alcoa of Australia (at least 45 per cent), the state government of Victoria (at least 25 per cent), and Hyundai Corporation of Korea (10 per cent).

Mr John Cain, Premier of Victoria, and Mr John Diederich, Alcoa's managing director, said they were disappointed with the trust's decision, but claimed it would not affect plans to proceed with the smelter.

However, the project has already been dogged by bad luck and wrangles. In 1982, Alcoa mothballed it, citing depressed world aluminium prices and Australia's declining competitiveness. There was also a dispute over electricity tariffs.

The CSFIT said yesterday that its decision to withdraw from the project followed news of changes to the Australian Trusts Act—due in the autumn—which would give it almost total freedom over choice of investments. It said Portland was still an attractive investment, but that it would now prefer not to commit itself to a major investment in the resources field.

Portland's two-potline smelter has a planned capacity of 300,000 tonnes. The first potline is due to start production next year.

Lambda share dealings inquiry

BY DAVID DODWELL IN HONG KONG

THE HONG KONG Securities Commission, which polices trading in the colony's four stock exchanges, is inquiring into share dealing in Lambda Technology, the watch and telephone manufacturer floated as a public company 16 months ago.

The investigations are linked with a statement made in the flotation prospectus by Chuang's (Holdings), Lambda's parent, that it intended to retain a 75 per cent stake in the company "as a long-term investment." It appears that Chuang's began selling Lambda shares within weeks of the prospectus being published and now holds less than 40 per cent of Lambda's shares.

When 24m shares in Lambda were offered for sale in August 1983 at HK$2.80 per share the offer was five times oversubscribed. Its share price leapt to HK$5.50, only to subsequently collapse to its present level of HK$1.71.

Chuang's said yesterday that it had answered questions put to it by the Securities Commission. While insisting that it had made no legally binding commitment to maintain its 75 per cent holding, the company said it had been its genuine intention to maintain its stake in Lambda. However, a default on a loan by a partner in a property deal in which Chuang's had a one-seventh stake, forced the company to liquidate assets. The company has sold about 28m shares, raising HK$42.7m (U.S.$5.5m). During the same period, Chuang's has paid but HK$33m for the 75 per cent not already owned in the property group, Verix and Co.

A Securities Commission official said the inquiry, which began last month, was continuing.

Scales accused of conspiracy

By Our Hong Kong Correspondent

MR PETER SCALES, a prominent Hong Kong stockbroker and former chairman of the colony's Commodities Exchange, was yesterday jointly charged with conspiracy to defraud clients of Wustock Brokers.

The charges have been lodged after a year-long inquiry by the Independent Commission Against Corruption (ICAC). The case, heard in Hong Kong's Western magistrates' court, has been adjourned until March 13 pending further inquiries by the ICAC. No plea was taken from Mr Scales.

At the end of March 1983, Hong Kong's Securities Commissioner revoked Mr Scales's registration as a securities dealer and investment adviser on the grounds of certain securities trading practices which it was alleged amounted to "misconduct." The registration of Wustock Brokers, owned by Mr Scales and his wife, was also revoked.

The Securities Commission then reported that Wustock had passed on securities to unnamed third parties without authorisation from clients who owned the shares. Proceeds from the trading were used to run Wustock and "were not accounted for to individual clients," the report said.

Few takers for NIC float

RIYADH — An issue by Saudi Arabia's National Industrialisation Corporation (NIC) of 4.5m shares, or 75 per cent of its capital, at SR 100 a share has met with a weak response, according to Mr Mahsoun Jalal, the company's chairman.

The offer was open from November 24 to December 23, with half the price payable initially. Mr Jalal said there had been a small undersubscription after the closing date which was filled by "calling a few people."

He attributed the modest subscription level largely to conditions in a local economy hit by falling oil revenues, and declining prices of other Saudi shares.

Public share offerings by several Saudi companies have been heavily oversubscribed in the past. But, unlike NIC, many of them enjoyed government participation.

Reuter

Canadair's privatisation clouded by uncertainty over Challenger

BY BERNARD SIMON IN TORONTO

THE PROSPECT of an early return to private ownership is proving a mixed blessing for Canadair, the Montreal-based manufacturer of executive jets, waterbombers and other aerospace equipment.

The new conservative Government in Ottawa won widespread approval when it announced in November that it plans to privatise Canadair, as well as Canada'a other aircraft manufacturer, De Havilland, and other assets of the state-controlled Canada Development Investment Corporation (CDIC). The decision was hailed as a sign that the Conservatives intend to curtail the Candian Government's extensive commercial activities.

Several investors have expressed an interest in buying Canadair. According to Mr Paul Marshall, the CDIC president there have been 13 enquiries so far. Mr Marshall hopes to complete a sale within the next six months. The Government will consider bids from outside Canada.

The reaction from Canadair's own customers has been less encouraging. Orders for the Challenger executive jet, which contributes 55-60 per cent of the company's sales, have dried up in the past three months as potential buyers ponder whether Canadair's new owners — whoever they may be — will want to continue production of the aircraft.

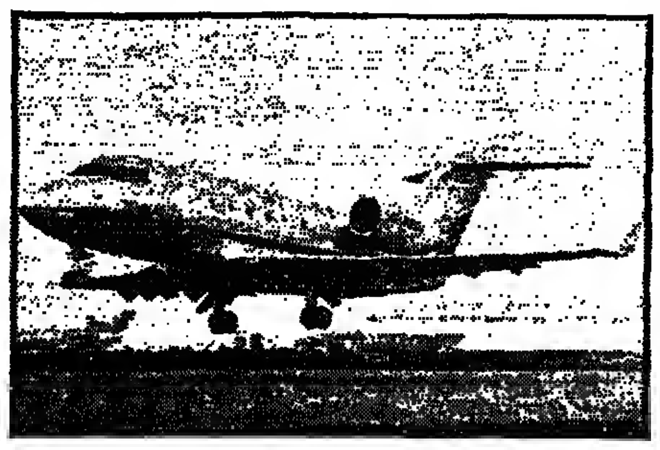
Mr Gilbert Bennett, the Canadair president, says there are 15-20 names on his "Hot" list of aales prospects. He adds however, that "The major point of resistance (has been) a concern at the possibility that the aeroplane would not continue to be produced."

The new climate of uncertainty comes less than a year after the Canadian Government soothed earlier fears about Canadair'a future by taking over the company's C$1.4bn (U.S.$1bn) debt and injecting C$310m of new capital, its third equity contribution since December 1982. At the time of the financial restructuring, Canadair had a negative net worth of C$1.3bn.

Slowing sales contributed to a C$1.3bn loss in 1982, the biggest loss ever suffered by a CaVnadian company. Canadair is still embroiled in a C$480m lawsuit against Avco the U.S. engine maker, claiming that the Avco Lycoming engines fitted to the first Challenger series did not meet performance criteria. Avco has counter-sued for C$130m for breach of contract.

The clean balance sheet enabled Canadiar to post the modest operating profit of C$4.8m in the first nine months of 1984 from sales of C$328m. The Challenger, which has been the biggest drain on resources. Canadair sold 16 of the aircraft last year, thanks largely to an order for seven aircraft from the Westh German Air oFrce. A total of 113 Challengers has been delivered since the aircvraft's first flight in late 1978.

Mr Bennett, formerly a lawyer, was recruited in mid-1983 after nursing a Toronto construction back to health. He has hired two senior salesmen formerly employed by Canadair's main competitior, Gulfstream Aerospace of Savannah, Georgia. The company's workforce has been pruned by 25 per cent, and production capacity for the Challenger has been cut from 30 to 16 aircraft a year.



The Canadair Challenger: centre of controversy

Mr Bennett sees no reason why Canadair under private ownership should not continue turining out tha Challenger. "Why would you want to dump a programme that's making money?" he asks. The company estimated in 1983 that terminating challenger production would cost C$420m, mainly in lay-off expensea and payments to suppliers.

Nonetheless, Canadair needs new orders soon if the Challenger is to remain a healthy project. The company has an order backlog of only nine aircraft. According to Mr Bennett, it needs to roll out between 13 and 15 challengers a year to break even.

The chances of its meeting that target are open to question. Mr Bennett argues that the new Challenger model, the 601, is a superior product to its two main competitors in the large executive jet market, the Gulfstream III and the aFlcon 50, produced by Dassault-Breuget of France. The Challenger is claimed to be less noisy, around $1m cheaper, and to have lower fuel consumption than the Gulfstream III.

But Gulfstream is about to launch its own improved model, the Gulfstream IV, and Dassault is replacing the Falcon 50 with the aFlcon 900." Although the first Gulfstream IV will not be delivered until the second half of 1986, the U.S. company already has deposits on 82 aircraft and another 20 tentative orders. It is currently producing three Gulfstram IIIs a month, and has decided to accelerate monthly output of the Gulfstream IV from three to four."

Gulfstream claims that Canaair won the German Air Force order in return for Canadian purchasees of Leopard tanks from the Germans.

Canadair strongly denies the charge, pointing out that the tanks were bought several years ago.

Meanwhile, Mr Bennett bopes to lower the temptation for any new owner to ditch the Challenger by trying to make it a smaller part of Canadair'soperations.

oMst of the company's other activities are on a sound footing. Production of waterbombers, used mainly for fighting forest fires, is sold out to the end of 1987. Canadair is also a sub-contractor to several U.S. aircraft makers. It builds the rear fuselage section for the Boeing 767 and supplies components for a number of U.S. military aricraft.

European governments have helped fund the production of two types of unmanned surveillance drones, used for military intellingence. Canadair is now developing a third model, known as the CL-227, which it hopes to sell to the U.S.

Mr Bennett says that the CL-227 is about a year away from commercial production. Canadair faces the same intense competition from other suppliers in selling the new drone as it does in finding buyers for the Challenger jet.

New pilot for De Havilland

DE HAVILLAND AIRCRAFT, of Canada has named Mr William Boggs as its new chairman, president and chief executive officer.

Mr Boggs, 66, headed the troubled aircraft manufacturer in the late 1960s, before becoming chief executive of Canada Systems Group, the country's leading computing services supplier. He also held a senior position with Hawker Siddeley, the UK aircraft manufacturer and De Havilland's former owner.

Mr Boggs' mandate is to help prepare De Havilland for a transfer from Government to private ownership. The Federal Government announced recently that it plans to privatise De Havilland along with other assets of the state-controlled Canada Development Investment Corporation.

The commuter aircraft manufacturer is currently going through a difficult period. It suffered a net loss of C$19.7m in the nine months to September 30, compared with a C$123.3m loss a year earlier. The Canadian Government injected new equity worth C$240m last March.

The first of De Havilland's new Dash 8 short-take-off and landing aircraft entered service last month, and hopes for a return to profitability are pinned on future Dash 8 sales.

UK COMPANY NEWS

THF up 28% on UK hotel strength

Trusthouse Forte, the hotels and catering group, has again turned in record profits, with the result for the year to October 31 1984 showing a pre-tax return of £105.2m against £82.1m, an increase of 28 per cent.

While most of the improvement came in the second six months, covering the traditionally busy summer months, the group was unable to sustain the 42 per cent rate of growth enjoyed at the midway stage.

All divisions contributed to the increase, with the main activity, UK hotels, leading the way. However, property disposals added rather less to the trading performance with a £9.2m profit against £12.8m.

The directors are confident for the current year—trading has started well ahead of the comparable period, and the company looks forward to "another most successful year."

As regards the Savoy Hotel, in which THF has a large interest, Mr Rocco Forte, chief executive of THF, said yesterday that his group still had Savoy "firmly in its sights," but was not prepared to mount a bid at present price levels.

With the Savoy "B" shares trading at £100 he said: "The present share price values the company at a ridiculous level." But he said THF was quite happy to "sit there with its investment for the time being."

At the current price the Savoy group was valued at £250m. "That values each bedroom at £355,000, which is quite outrageous," said Mr Forte.

He also revealed that THF had received a number of approaches for its Savoy shares. "We could get out if we wanted but we are quite happy to sit there for two or three years."

A final THF dividend of 3.615p net per share effectively lifts the total for the year from 4.125p to 4.7p. Earnings per share are stated at 9.43p against an adjusted 7.95p.

Sales in the year advanced from £1.01bn to £1.15bn, and generated trading profits £22m ahead at £124.7m. This was after higher operating costs at £986.7m (£877.2m) and depreciation charges at £37.2m (£32.1m).

A divisional analysis reveals that the bulk of the trading improvement came in the group's UK hotel operations, which turned in £64.5m against £50.7m. Hotel interests overseas also showed substantial improvements, with a £3.1m rise in the U.S. to £15.6m and trading in Europe and elsewhere contributing £11.5m against £9.8m.

In UK catering, where THF has further expanded with the purchase of the outstanding 40 per cent of Airport Catering Services last November, profits improved by £4.8m to £22.9m. U.S. catering turned a £0.4m loss into a profit of £0.2m, and miscellaneous activities added £4.2m (£2.4m). Central costs amounted to £3.4m (£3.2m).

The tax charge for the period came to £29m (£18m), and

Mr Rocco Forte, chief executive of Trusthouse Forte . . . not willing to pay £355,000 for a Savoy Hotel bedroom

minorities accounted for £2.6m against £2.1m. There was an extraordinary debit of £6.6m (nil), and a deferred tax provision of £8.3m (nil).

The net value of shareholders' investment at the financial period end was £814m compared with £631m. Net group borrowings at the same date were up from £215m to £270m.

THF has continued its policy of having professional revaluations every year in respect of a portion of its land buildings, as a result of the 1984 revaluation fixed assets increased by £140m to over £1bn. The valuations are made on an open market existing use basis.

During the year over £120m was spent on further additions and improvement to assets and investments, this was in addition to continued substantial expenditure on maintaining properties.

Capital spending is likely to be slightly less this year. Mr Forte said the major portion of the investment would be in the UK but the group would also be investing heavily in the U.S.

It is planning to open three new Post House Hotels in the UK this year and plans to open three or four a year for the next few years. Around 20 Little Chefs are planned for this year and another 20 next.

● Travelodge International, a U.S. subsidiary of Trusthouse Forte, reported a slip in pre-tax income in the final quarter ended October 31 1984. The result for the three months was down from $6.82m (£6.09m) to $6.26m (£5.59m), but for the fiscal year the outcome improved from $15.87m (£14.17m) to $16.46m (£14.7m).

Sales for the year were up from $94.22m to $105.54m.

See Lex

Schroder Wagg forms venture capital company

Merchant banker J. Henry Schroder Wagg is to establish a venture capital company which plans to raise £15m to £20m to invest in management buy-outs and high technology businesses.

Schroders has attracted Mr John Moulton, formerly general manager of Citicorp Venture Capital, to become managing partner and investment adviser to the new fund.

Recent flotations from the Citicorp Venture Capital stable include Wardle Storeys, a specialist plastic sheet maker which joined the full market in November, and Instem, an electronics group which was admitted to the USM in the same month.

The Schroders' fund will be marketed mainly to institutional investors. Further details are expected in the next few weeks. It will be modelled on the Schroder Venture Trust, which attracted $37.5m (£33.5m), as against a $25m minimum subscription level, when it was set up in the U.S. in September 1983.

All divisions improve at Tace

ALL DIVISIONS at Tace, the London-based electronics engineer, returned higher profits for the 12 months to end-September 1984, resulting in an overall 114 per cent increase at the taxable level.

And the directors expect 1984-1985 to show another "successful outcome" with trading in the first three months of the current year "well ahead" of the comparable period.

Demand in the year under review continued to increase in all markets and turnover rose by nearly £3m to £18m. Taxable profits came out at £2.6m, against £1.22m, after a sharply lower interest charge of £106,000 (£427,000).

The total dividend is being increased by 50 per cent to 4.5p. Following an increase in the interim payment, the final is being lifted from 2p to 3p. Earnings per 10p share are shown as 16.25p (14.34p).

Mr J. H. M. Mackenzie, group chairman, says that the balance sheet remains strong. And in addition to further investment in Tace's high growth subsidiaries, opportunities are being sought to identify suitable businesses for incorporation in the group.

Tax took more at £1.12m (£214,000) and minorities increased to £454,000 (£98,000), reflecting the inclusion of a higher minority shareholding in Goring Kerr, the 62.5 per cent owned metal detection systems subsidiary which was floated on the Stock Exchange in September 1983.

There were extraordinary charges of £580,000 (credits £1.08m), with the group providing £361,000 for deferred tax.

● Goring Kerr's results for the 12 months to end-September 1984 show an £839,000 increase to £2.37m in taxable profits with turnover ahead at £8.29m against £5.41m.

The directors say that there was continued strong demand and Goring was particularly successful in the U.S. Looking ahead, they say that progress has been maintained in the first quarter of the current year and anticipate another successful full year outcome.

There is a final dividend of 5.5p, making a total of 8.25p compared with the previous year's solitary final distribution of 3.25p. Stated earnings per share advanced from 12.83p to 20.68p.

Profits were struck after net interest receivable of £9,000 (£10,000) and were subject to tax of £1.13m (£764,000).

● comment

Floating off Goring was an astute move for Tace. The proceeds have wiped out its debt and, because it still retains nearly two-thirds of the equity, it can continue to participate in Goring's success which, as these figures suggest, will gather pace. Small wonder, as Goring's metal detection systems have few competitors and the U.S. food industry is wide open. These figures also reflect a sharp improvement in Tace's other activities, notably Tace Industrial and British Indicators, thanks to the group's keen eye on new product development and the push into new markets. This optimistic outlook is well reflected in both Tace and Goring's share price, where the historical p/e's are around 23. Goring rose 35p to 480p while Tace was up 38p to 385p.

Southern Business up 30% at £1.52m

AN ADVANCE of £184,000 during the second six months enabled Southern Business Leasing to record a rise of £348,000 to £1.52m in its profits before tax for the year to September 30 1984.

Furthermore, forward contracted income at year-end was £8m ahead at £27m.

Shareholders are to receive a final dividend of 1.5p which will lift their total to 2.25p net. This compares with a forecast of 2p and the single payment of 1.25p paid for 1982-83, the year this company obtained a share quotation on the USM.

Mr George Stewart and Mr David McErlain, respectively chairman and managing director, are waiving all but 0.0001p of the dividends due to them in respect of 6.3m and 1.47m shares held in their own names.

The 30 per cent rise in pre-tax profits was achieved on the back of a £1.36m improvement in turnover to £6.1m—SBL is engaged in service leasing contracts involving the supply and maintenance of photocopiers and drink vending machines.

Net profits emerged at £1.24m (£1.14m) after taking account of a £241,000 higher tax charge of £275,000.

Below the line extraordinary items (deferred tax) accounted for £606,000 (£127,000) and dividend payments will take £131,000 (£80,000). The retained balance came through at £506,000, compared with a previous £929,000.

Earnings per 10p share amounted to 9.1p (9.12p on old capital).

● comment

It could be a formative year for Southern Business Leasing. USM companies using their paper for acquisition are hardly a rare breed but SBL has something slightly different in its mind's eye. In a highly fragmented industry the company has tried a straight acquisition—it was successful but took management time and forward contracts probably suffered to a small extent. Now SBL is toying with the idea of buying 5 per cent interests in entrepreneurial office equipment businesses that could benefit from its rental expertise and financial muscle. Shareholders will have to await specific details—indeed the management's thoughts are still in the "what if we did this" stage—but any purchase is unlikely to be for more than £1m, payable with equity. Ultimately, the argument continues, these companies could come to the USM in their own right. Anyway, apart from fancying itself as a venture capitalist SBL is managing to produce respectable figures. There seems little reason to suppose that a growth rate of 25 to 30 per cent cannot be maintained withiDjzFe not be maintained which is sufficient backing for a p/e of 14.3 at 130p.

GA to enter unit-linked life market

Leading UK composite, General Accident Group, is the latest traditional insurance company to enter the unit-linked life and pensions market.

Unit-linked business is being handled by the subsidiary General Accident Linked Life Assurance, formerly the English Insurance Company.

The first products from this company were formally unveiled yesterday—the Escalator Investment Bond, a single premium life contract, and two pension contracts, the Personal Retirement Bonus plan and the Executive Bonus Plan.

The company has thus launched its pension plans ahead of the Budget and in time to participate in the anticipated pre-Budget boom in pensions business.

Investors are offered a choice of ten funds, with policyholders being able to invest in up to six of them, with usual switching facilities.

In the investment field, GA has completely departed from the usual practice of traditional life companies and is using an outside investment management company Edinburgh Fund Managers.

Marketing will be carried out by GA's specialist life field force—combining with the other life company in the group General Accident Life.

AGB improves but heavy investment trims margins

CONTINUED HEAVY investment on new and improved services for its market research and information systems clients has led to some reduction in margins at AGB Research.

It is pointed out, however, that investment by the group is necessary if it is to realise the potential available to it in these fields.

Substantial investments will continue to impinge on AGB's trading performance during the remainder of 1984-85 but Mr B. Audley, the chairman, expects the group to again produce increased profits for the year.

Trading overall is satisfactory and the outlook continues to offer "considerable scope for expansion."

Pre-tax profits for the first six months, to October 31 1984, improved by £482,000 to £3.49m and the interim dividend is being effectively stepped up from 2.4p to 2.5p net per 10p share.

First half turnover, at £46.44m, showed an improvement of £8.09m. The main areas of business made satisfactory progress and the market research companies in the U.S. and Australia, in particular, produced good results.

Research companies in other territories—the UK, Europe and the Asia/Pacific region — also made useful progress.

Mr Audley says the group's new television research activities in the U.S. have started well and that it will continue to press for a share of this "important" market.

He adds that good progress is being made in the development of new services. AGB Travel Research International now has travel industry clients in 12 countries. Lek-Trak (the group's electrical appliance monitoring service in the UK) has secured further support and Fishnet (the fish price and catch landing service) has been extended to cover 22 North Sea ports.

A new metered audience research service will be introduced in Thailand during 1985 and many other "important projects" are still at the development stage.

Tax for the six months took £1.52m (£1.13m) and minorities accounted for £314,000 (£284,000).

Earnings per share came through at 4.12p, compared with an adjusted 3.98p.

Group pre-tax profits for the 1983-84 year rose from £6.04m to a record £7.83m and a final dividend equal to 3.6p was paid.

● comment

The message from AGB Research is—be patient. The company is now carrying the cost of an unprecedented expansion of its services, particularly in the U.S., but also in the UK and in the Fast East. These investments take time to mature, says AGB, and there are risks to spending so much money up front, but the rewards in 18 months or two years could be very great. There is every reason to trust the company's judgement—its overseas expansion is based on extending the skills learnt in the UK, where it is market leader; and it's probably right to concentrate so much effort on the U.S., the world's largest and fastest-growing market research market. The costs could absorb about £1m above the line this year, with the inevitable impact on net margins. But the company is anxious to stress that gross margins on the core businesses remain as strong as ever. However, at 235p, up 5p, the shares are well up with events; assuming current year profits of £9.4m pre-tax and a 43 per cent tax charge, they change hands on a multiple of 20. Investors can afford to wait awhile.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
AGB Research ...... int.	2.5	April 1	2.4*	—	6*
Bett Bros	1.9	March 15	1.65	3.1	2.65
Centrovincial Ests. int.	3	April 23	3	—	6
County Properties	1.41§	April 9	1.65	3.41	1.65
Fleming Technlgy. int.	0.8	—	0.8	—	2.2
FII	2.72‡‖	—	2.47	3.9	3.54
Glass Glover	2.08	April 1	1.88	3.45	2.81*
Goring Kerr	5.5	Feb 27	3.25	8.25	3.25
Raeburn	6.25	—	5.15	9.5	8.4
Southern Business‡	1.5	March 7	1.25	2.25	1.25
Standard Secs	2.5	Feb 28	2.2	3.65	3.2
Tace	3	March 22	2	4.5	3
Trusthouse Forte	3.62	April 6	3.13*	4.74	4.13*

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For 18 months. ‖ Irish currency throughout.

Crocker in line with estimates

IN KEEPING with estimates announced at the beginning of this month, Crocker National Corporation, which is to become a wholly-owned subsidiary of the Midland Bank, reported a fourth quarter 1984 loss of $216.1m (£193m) and a loss for the year of $324.4m (£290m).

Two weeks ago, Crocker said it expected an after-tax loss of about $215m for the quarter and a full year deficit of some $324m. In 1983 Crocker reported a fourth quarter loss of $57.2m and a year-end loss of $104m.

The final quarter loss for 1984 was the result of a provision for loan losses of $326.5m. Following this provision and net loan charge-offs of $253m, Crocker's reserve for possible loan losses rose to $300.4m, or 1.9 per cent of total loans at year-end.

"These results reflect a major retructuring of our balance sheet," said Mr Frank V. Cahouet, Crockers chairman and chief executive.

"We have written down loans made in prior years which subsequently deteriorated because of changing circumstances. And we have set aside substantial additional funds which we feel appropriate given both domestic and foreign economic uncertainties. At no time in Crocker's history has there been such a substantial cushion to protect us against these uncertainties.

"We expect our provision for possible loan losses to return to more normal levels during 1985," he added.

As already announced, Midland Bank advanced an additional $375m to Crocker during the fourth quarter to strengthen the capital position of the Crocker organisation. As a result, the capital of Crocker National Bank, the company's principal subsidiary, was increased by $400m.

The company has shareholders' equity of $1.14bn and a ratio of primary capital to assets of 6.33 per cent. Primary capital includes shareholders' equity and qualified reserves.

Midland and Crocker plan to execute a definitive agreement for their previously announced merger within a few days under terms disclosed on January 2.

During 1984, Crocker provided a total of $526.7m for possible loan losses and reported net charge-offs of $469.5m compared with $173.3m and $83.3m respectively in 1983.

Total assets were $22.3bn at the end of 1984 and $23.4bn a year earlier. Total loans were $15.8bn ($16.2bn), while total deposits were $18bn compared with $18.9bn.

Crocker's non-performing loans at the year-end were $1.13bn compared with $778m a year ago, principally because of increases in certain narrow segments of the agricultural portfolio and in foreign non-performing loans. Of this increase, $260m was Argentine loans that became non-performing in 1984.

Domestic non-performing loans were $681m at the end of 1984 compared with $783m in the prior quarter and $680m a year earlier. Foreign non-performing loans increased to $450m at the end of 1984 from $363m in the previous quarter and $98m at year-end 1983.

Total non-performing assets, which include $175m of real estate the bank acquired as a result of borrower defaults, were $1.32bn at year-end 1984 compared with $1.34bn for the prior quarter and $1.02bn a year ago.

Non-performing loans reduced pre-tax operating results by $34.8m in the fourth quarter, compared with $34.7m in the prior quarter and $20.4m a year earlier. The reduction for the year was $131.6m ($73.6m).

	1984 $000	1983 $000
Interest income	2,437,425	2,368,042
Interest expense	1,760,406	1,676,377
Net interest income...	677,019	692,665
Loan losses provisn.	576,706	173,338
Other operating inc.	†321,252	191,688
Operating expense...	798,589	731,382
Loss before tax	-327,033	30,368
Net loss	324,442	10,423

† Includes $81.7m current gain on sale of Crocker Center building complex in San Francisco.

Premier Cons. £16m rights

Premier Consolidated Oilfields, an oil exploration company whose interests include stakes in Wytch Farm and Trinidad, is raising £16.3m with a three-for-ten rights issue at 38p per share.

J. Henry Schroder Wagg has underwritten the issue of 44.7m shares and Phillips & Drew are brokers.

The oil sector has been out of favour with the stock market in view of uncertainty over oil prices. Mr Roland Shaw, chairman of Premier said yesterday: "Our shares are hitting bottom, a good time to let shareholders put in new money."

He feels that times are bearish, but that whole industry is at the bottom of a cycle which will soon be on the up. "It is a time for some extremely interesting opportunities, for new acquisitions and exploration plays," he said.

Premier will use some of the rights issue funds to repay £5.7m of an initial payment to the British Gas Corporation for its stake in Wytch Farm.

It has a £65m limited recourse loan facility to finance acquisition and development costs and the board wants additional funds available "should market conditions indicate the desirability to limit the drawdown under the loan facility."

In the North Sea it needs to fund its exploratory drilling programme and appraisal costs for the 6.8 per cent stake it has in 29/8b the Acorn field.

It is continuing work in Trinidad where it intends to develop its proven and probable reserves of 12m barrels. Other interests are in Italy, the Far East and the U.S. where the company says it may use some of the rights proceeds to buy U.S. oil or gas production.

● comment

There are two diametrically opposed views to the Premier Consolidated Oilfields issue. The first, as put forward by the chairman Roland Shaw and his advisers, is that the market is at rock bottom and about to improve—an ideal time to raise funds at lowest cost to shareholders who can see it well invested and the shares rise. The other view is that the timing is disastrous, that having seen the shares come down from 74p at the time of the Carless Capel bid to yesterday's opening price of 46p, further dilution is unwelcome, particularly as Carless Capel with 15 per cent and Ivan Boesky with 8 per cent, may well decide not to take up their rights. Premier's loyal band of small shareholders who so valiantly stood by the company against Carless will probably stick with it and that is likely to put off some new predator from going heavily into the market. The share price slipped 2p yesterday to 44p and may show further weakness, but it is unlikely to go below the 38p issue price.

Fleming Technology

Net asset value per 25p share of the Fleming Technology Investment Trust improved by 17 per cent to 192.6p in the six months to November 30 1984 resulting from a resilient performance by UK investments, with further strength in the Japanese portfolio offsetting a disappointing performance in the U.S. A same-again interim of 0.8p is declared.

UK Temperance good year

A SUCCESSFUL year for new business in 1984 was experienced by United Kingdom Temperance and General Provident Institution. New annual premiums rose by a quarter from £41.8m to £52m and single premiums by 7 per cent from £89.3m to £95.5m.

The main growth in business came, surprisingly, from group pensions business with premiums nearly doubling to £24.2m against £12.4m. UKP's money purchase plan was highly successful and its Additional Voluntary Contribution schemes were also successful.

Single premium group business was even more buoyant with premiums almost tripling from £8.2m to £24.2m.

Self-employed pension sales were mixed, with new annual premiums up by a third to £3.9m, while single premiums were down from £12.2m to £11m. Executive pension business saw new annual premiums drop 15 per cent to £5.6m, and single premiums advance slightly to £5.8m (£5.6m).

New life business was hit by the withdrawal of LAPR with new annual premiums down nearly 50 per cent to £2.9m (£5.5m) and single premiums by nearly a fifth from £59m to £48m.

The company is keeping its reversionary bonus rates on life business for 1984 unchanged at £4.9 per cent of basic benefits and attaching bonuses. The terminal bonus rates for 1985 are being lifted from 60 per cent to 75 per cent, the maximum rate for 10 years or more, of attaching bonuses.

On individual pension contracts, the rise in the interim rate last September is confirmed at £6.05 per cent compound, with a special 10 per cent bonus (based on attaching bonuses) being paid. Terminal bonus rates are being held at a maximum of 60 per cent of attaching bonuses.

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Over-the-Counter Market

High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
142	123	Ass. Brit. Ind. Ord. ...	142	—	6.6	4.6	7.9	9.4
149	135	Ass. Brit. Ind. CULS...	149	—	10.0	6.7	—	—
77	51	Airsprung Group	51xd	—	6.4	12.6	5.6	6.7
42	28	Armitage and Rhodes .	40	—	2.9	7.3	5.0	8.3
135	108	Bardon Hill	134	+2	3.4	2.5	13.5	22.5
58	42	Bray Technologies	49	—	3.5	7.1	6.7	6.1
201	173	CCL Ordinary	173	—	12.0	6.9	—	—
152	114	CCL 11pc Conv. Pf. ...	114	—	15.7	13.8	—	—
810	100	Carborundum Ord. ...	810	+2	5.7	0.7	—	—
86	84	Carborundum 7.5pc Pf.	86	—	10.7	12.4	—	—
103	64	Cindico Group	64	—	—	—	—	—
73	51	Deborah Services	63	—	6.5	10.2	6.0	8.7
244	182	Frank Horsell	244	+4	—	—	9.8	12.8
210	170	Frank Horsell Pr.Ord.87	210	+4	[illegible]	4.8	8.4	11.1
31	25	Frederick Parker	30	—	4.3	14.3	—	—
50	33	George Blair	46	—	—	—	3.2	5.4
60	27	Ind. Precision Castings	27	—	2.7	10.0	7.4	8.0
218	191	Isis Group	191xd	−2	15.0	7.9	7.7	13.7
124	105	Jackson Group	108	—	4.9	4.6	4.8	8.5
286	213	James Burrough	275	—	13.7	5.0	9.6	9.8
93	83	James Burrough 9pcPf.	92	—	12.9	14.0	—	—
88	71	John Howard and Co. ...	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
147	100	Linguaphone Ord.	147	—	[illegible]	[illegible]	[illegible]	[illegible]
100	83	Linguaphone 10.5pc Pf.	95	—	15.0	15.6	—	—
[illegible]	[illegible]	Minihouse Holding NV	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
120	31	Robert Jenkins	32	—	[illegible]	[illegible]	[illegible]	[illegible]
60	28	Scruttons "A"	28	—	[illegible]	[illegible]	[illegible]	[illegible]
92	81	Torday and Carlisle ...	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
444	370	Trevian Holdings	370	—	4.3	1.2	21.0	20.7
27	17	Unilock Holdings	22	—	[illegible]	[illegible]	[illegible]	[illegible]
95	81	Walter Alexander	95	+1	7.5	7.9	[illegible]	[illegible]
247	225	W. S. Yeates	226	—	17.4	7.7	[illegible]	[illegible]

Prices and details of services now available on Prestel, page 48146

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1983							
4th qtr.	103.5	98.1	100	110.3	151.4	2,941	162.0
1984							
1st qtr.	102.8	97.4	101	108.5	123.5	2,998	147.0
2nd qtr.	100.7	98.1	104	111.7	130.7	3,026	154.0
3rd qtr.	100.5	99.1	100	112.4	133.8	3,076	165.1
4th qtr.				115.5		3,103	166.5
June	100.7	98.6	103	112.1	130.3	3,038	159.0
July	99.9	98.2	104	111.2	133.9	3,055	164.0
August	100.0	99.4	87	110.9	132.8	3,074	162.0
September	101.5	99.8	110	114.5	134.3	3,096	170.0
October	102.3	99.1		113.5	140.2	3,100	170.5
November				115.0	150.2	3,102	167.6
December				117.5		3,107	161.3

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
3rd qtr.	98.5	92.0	108.5	94.8	105.3	90.5	17.5
4th qtr.	99.0	93.6	110.2	96.4	110.4	93.0	15.9
1984							
1st qtr.	97.5	92.7	110.1	95.4	113.9	89.4	16.5
2nd qtr.	98.9	94.3	104.6	96.7	107.3	90.4	17.8
3rd qtr.	99.2	95.7	103.1	96.4	108.6	90.6	16.3
June	98.0	95.0	105.0	98.0	112.0	90.0	19.4
July	99.0	95.0	103.0	97.0	106.0	90.0	18.3
August	98.0	96.0	103.0	99.0	111.0	90.0	15.5
September	101.0	97.0	104.0	100.0	109.0	93.0	15.0
October	99.0	97.0	106.0	98.0	105.0	90.0	15.7
November							13.6

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
3rd qtr.	99.2	106.6	−369	+851	+1,485	98.6	17.90
4th qtr.	107.2	112.9	−221	+350	+2,099	97.7	17.82
1984							
1st qtr.	109.5	113.3	−154	+424	+2,316	97.3	16.75
2nd qtr.	107.4	119.5	1,K"SE				
2nd qtr.	108.3	118.2	−1,297	−379	+1,548	96.9	15.51
3rd qtr.	107.4	119.5	−1,652	−542	+1,726	96.8	15.35
June	112.0	117.5	−137	+169	+656	97.6	15.51
July	102.7	108.9	−198	+173	+755	97.0	15.27
August	111.6	123.9	−627	−257	+387	96.7	15.35
September	107.9	125.8	−828	−458	+584	96.8	15.26
October	115.6	133.8	−888	− 40	+388	96.8	15.35
November	118.7	121.1	−122	+278	+424	96.2	15.50
December							15.69

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1983							
4th qtr.	7.9	10.4	8.8	18.9	2,745	2,807	9.00
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,896	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,850	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,785	10.50
4th qtr.					2,492		9.63
June	6.2	22.7	14.3	20.6	630	919	9.25
July	6.8	11.4	8.4	17.0	608	976	12.00
August	4.6	11.4	7.1	11.0	133	938	10.50
September	4.4	7.8	4.0	2.4	887	871	10.50
October	6.7	18.5	9.6	11.4	1,125	1,008	10.50
November	9.9	27.3	19.0	17.1	363	989	9.63
December					1,004		9.63

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.50	83.2
1984							
1st qtr.	153.6	133.6	129.0	343.9	321.7	308.67	81.7
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.8	353.9	326.8	298.95	78.0
4th qtr.		140.1	134.3			289.64	74.1
June	157.5	134.4	132.2	351.9	330.6	305.06	79.4
July	159.8	134.0	132.5	351.5	328.5	289.86	78.4
August	159.2	133.2	132.6	354.8	326.9	294.18	78.4
September	159.9	135.2	133.3	355.5	324.9	288.95	77.2
October	164.2	137.9	133.9	357.7	326.2	292.40	75.6
November	163.0	139.2	134.3	358.8	326.6	289.89	75.7
December		143.2	134.7			289.64	74.1

* Not seasonally adjusted.

Public Works Loan Board rates

Effective January 16

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	11¾	—	—	12¼
Over 1, up to 2	11¼	11¼	11¾	12¼	12¼	12¼
Over 2, up to 3	11¾	11¾	11¾	12¼	12¼	12¼
Over 3, up to 4	11¾	11¾	11¾	12¼	12¼	12¼
Over 4, up to 5	11¾	11¾	11¾	12¼	12¼	12¼
Over 5, up to 6	11¾	11¾	12	12¼	12¼	12¼
Over 6, up to 7	11¾	11¾	12	12¼	12¼	12¼
Over 7, up to 8	11¾	11¾	12	12¼	12¼	12¼
Over 8, up to 9	11¾	11¾	12	12¼	12¼	12¼
Over 9, up to 10	11¾	12	11¾	12¼	12¼	12¼
Over 10, up to 15	12	11¾	11¾	12¼	12¼	11¾
Over 15, up to 25	11¾	11¾	11¾	12	11¾	11¾
Over 25	11¾	11	11	11¾	11¾	11¾

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Centrovincial Est. hit by higher interest rates

Although net income from properties improved from £2.23m to £2.45m, higher interest charges meant pre-tax revenue of property investment and development group, Centrovincial Estates, was lower at £1.37m for the six months to September 30 1984 against £1.5m last time.

The increased interest of £1.07m (£0.73m) arose from the additional financing cost following the acquisition—completed immediately prior to the last year end—of the additional interests in properties already within the group's investment portfolio. This was coupled with the weakness of sterling against the dollar and higher interest rates generally.

Gross income came to £4.41m (£4.35m). Tax charge was reduced from £598,000 to £441,000 giving increased net revenue of £933,000, against £902,000. The net interim dividend is unchanged at 3p per 20p share, and absorbs £471,000 (same), leaving a retained surplus of £462,000 (£431,000).

The directors report that good progress has been made in leasing the three London office developments recently completed. These developments are held as dealing properties, but their ultimate sale is not contemplated in the current year.

UK COMPANY NEWS

Martin Dickson reviews Hanson's £170m battle for Powell Duffryn

Institutions hold the nap hand

THE TAKEOVER battle for Powell Duffryn, distribution and storage group, will reach an important landmark tomorrow when investors give their first concrete reaction to the £170m bid leuocbed by Hanson Trust.

Tomorrow is the first closing date for Hanson's all-paper bid, which so far has been a relatively low key affair. However, behind the scenes a major battle has been going on for the support of the city institutions which control about 80 per cent of Powell Duffryn shares and will decide its fate. Hanson holds just 3.6 per cent of its target's equity.

The struggle brings together one of Britain's oldest industrial companies — Powell Duffryn's roots go back to the mid-19th century—and one of its most rapidly expanding industrial holding groups: this is the third major takeover bid by Hanson in just 12 months.

But for all this, Powell Duffryn's defence has been notably devoid of appeals to history or corporate culture. "The institutions aren't interested in sentiment," observes one City analyst.

Nor, for its part, has Hanson sought to spell out any grand commercial logic for a takeover, beyond the ability it claims to work Powell Duffryn's assets harder. And its offer document says that it does not intend to make any major changes to the company's business.

Instead, the battle has focussed firmly on the Powell Duffryn management's past financial performance and future prospects and the implications these have for the company's share price and investors' income stream.

Henson has made much of what it calls the Powell Duffryn management's "completely unimpressive record over the past five years." Hanson has contrasted its own growth in attribu trasted its own growth in attributable earnings from £25.5m in 1980 to £12.2m in 1984, with Powell Duffryn's decline from £8.8m to £3.5m over the same period. "Powell Dufryn," argues Lord Henson, "will prosper to a far greater extent as part of Hansoo Trust" and, essentially, his case rests there.


Lord Hanson (left) chairman of Hanson Trust, and Mr John Franklin, chief executive of Powell Duffryn.

Powell Duffryn's defence is more elaborate. While acknowledging that its financial performance was lacklustre in 1981 and 1982, which was a time of general economic recession, it points to a 42 per cent improvement last year in pre-tax profits, to a record £18.3m. And it says that, but for the miners' strike, profits would rise in the current year to about £22m, a 20 per cent increase. As it is, the forecast figure is £19.5m, 6 per cent up.

This, the company says, shows the good growth prospects that are coming through as a result of a major restructuring programme and £115m of capital investment over tha past five years. To accept Hanson's bid, the argument goes, would deprive investors of the benefits of all this effort.

"Hanson," acknowledges Powell Duffryn, "has an excellent profits record but much the larger part of its growth has been achieved by the acquisition of advantageous terms of companies which were on the brink of marked increases in their profitability."

Hanson predictably takes issue with Powell Duffryn's optimistic forecasts: "They've been striving for so long to improve the return on capital in that company and they've had no success," Hanson argues.

However, Powell Duffryn's defence has been hit hard by movements in the two companies relative share prices. When the bid was launched on December 14 it was worth 385.3p per Powell Duffryn share. Since then, however, Hanson Trust's shares have risen strongly—from 289p to 331p last night—valuing Powell Duffryn at 441p per share. And although Powell Duffryn shares rose sharply when the bid was announced, they stood last night at 423p—18p shy of the Hanson offer.

This discount, however, will *not necessarily clinch the battle*, for Powell Duffryn's case also rests heavily on the argument that accepting the Hanson offer will mean a drastic reduction in its shareholders' income, earnings and assets. It says, for example, that a holder of 100 Powell Duffryn shares, currently entitled to a forecast gross dividend of £25.1, would receive just £9.52 under the Hanson terms.

Much is likely to depend on whether the Powell Duffryn camp can convince the institutions that growth prospects under the current management justify the present level of the share price.

The Hanson camp says that the strength of Powell Duffryn's shares are attributable to its bid. However, Powell Duffryn in its discussions with institutions, has been making much of figures showing that its share price has risen some 28 per cent since last summer—exactly the same as the FT All-share index.

This, Powell Duffryn maintains, is further evidence that the current share price does reflect its prospects. Tomorrow will show how much sharehloders agree with that analysis.

BIDS AND DEALS

Rowntree to examine register after sale

A BLOCK of around 5m shares in Rowntree Mackintosh changed hands yesterday morning. The confectionery company has been the subject of strong bid rumours for more than a year.

The shares, which were placed with institutions by brokers Rowe and Pitman, were sold at 355p, and represent about 3 per cent of the company's equity. Rowntree's shares closed last night at 370p, up 5p.

The company was unable to identify the vendor yesterday. City analysts have suggested that Nestle of Switzerland or Hershey of the U.S. may have been owners of the shares.

Mr Nicholas Nightingale, Rowntree company secretary, was unable to comment on the transaction. "We have received no information from the brokers," he said.

He added, however, "we do monitor our share register regularly for changes of ownership. At present we await answers to our *routine inquiries* about two parcels of shares which came to our notice last month. The shares are in separate parcels of 2m and 2.5m shares, and together represent under 3 per cent of the quity. Swiss banks apparently acted as nominees in both cases."

Kleinwort Benson deal in Australia

Kleinwort Benson Australia (Holdings) (KBA) is to take a 34 per cent stake in Colonial Mutual Discount Company, an authorised Australian money market dealer, in a A$2.5m (£1.8m) transaction.

KBA is jointly owned by Kleinwort, Benson, the UK merchant bank, and The Colonial Mutual Life Assurance Society. The holding in the money dealer is being bought from The Colonial Mutual Life Assurance Society.

This deal rounds out Kleinwort, Benson's investment banking and money dealing operation in Australia, the bank said. KBA already carries out unofficial and unofficial and inter-company money market dealings as well as foreign exchange business.

KBA recently acquired a 50 per cent holding in The Australian Gilt Company, a reporting dealer in the secondary market for Government securities, and intends to acquire a 50 per cent stake in the Cydney stockbroking firm of Hattersley Maxwell Noall & Co.

The Colonial Mutual Discount Company deal has been cleared by the Reserve Bank of Australia but still requires Foreign Investment Review Board approval.

Owners Abroad

Mr S. Dias, a director of Owners Abroad Group disposed of his entire holding of 91,000 shares at 22½p per share on January 11 1985.

Mr R. Allard, also a director, disposed of 132,000 ordinary at 23p per share on January 14 and holds 6.5m (11.78 per cent).

BAT Industries

The Department of Trade and Industry has cleared BAT Industries' agreed £664m offer for Hambro Life Assurance, and the bid will not be referred to the Monopolies Commission.

L & N offshoot to sell part of hospital assets to U.S. buyer

BY GORDON CRAMB

London and Northern Group yesterday announced the disposal of a substatnial amount of the British hospital assets owned by its United Medical Enterprises (UME) subsidiary for a total of £11.45m.

The disposals, largely to a U.S. buyer, follow a denial issued by the company on Christmas Eve of rumours that it had put UME — acquired in mid-1983 — up for sale.

National Medical Enterprises, a California-based hospital management company, has conditionally agreed to pay £9.95m cash for all the assets except a site for a future hospital in Stepney, East London, for which an undisclosed buyer is paying £1.5m.

The U.S. concern will take on the recently opened Alexandra Hospital near Maidstone, Kent; a hospital in Halifax scheduled to be brought into commission in July; as well as undeveloped sites in Bristol and in Alsager, Cheshire, and management contracts for two London hospitals.

London and Northern said that book value o fthe assets being sold would be some £7.9m by the time of completion. Net tangible assets for UME at the end of 1982, the year before it was bought by London and Northern, totalled £9.6m, and the company acknowledged yesterday that in these terms the disposals still represented a high proportion of UME.

It also noted that no significant profit or loss would derive for the year to December 31 1984 from the assets and contracts being sold. In terms of turnover they accounted for a small part of UME's activities, it stressed.

The proceeds are to be used in part to develop the service side of the UME health care activities. The company said it was considering a move into providing facilities to care for the aged, where it sees growth potential.

UME's main business is abroad, and like National Medical it has a large Middle Eastern presence. The purchases by the U.S. company are understood to be its first of any size in the UK.

Martin terminates buy-out talks

TALKS WHICH might have led to a management buy-out of R. P. Martin, the foreign exchange and currency broker, have been terminated. On the London Stock Exchange shares in the money broker fell 45p to 340p.

At the end of November Martin announced that it was involved in talks with a number of parties, including the management, which might have led to an offer.

At the time Mr David McWilliam, managing director, stressed that the management buy-out proposal should not be interpreted as reflecting any form of dissension within the group.

Among the outside parties rumoured to be interested in Martin were Security Pacific, a Californian bank which has interests in Hoare Govett, a London stockbroker, and Charles Pulley, a jobber.

Three years ago Martin forged a merger with Bierbaum and Co, Duseldorf, a German money broking group. Bierbaum owns 45 per cent of the Martin stock which gives it effective voting control. The remaining stock is owned 9.5 per cent by Touche Remnant, 10.5 per cent by the Merchant Navy Officers Pension Fund and the rest by smaller shareholders. Martin holds 55 per cent of the voting right of Bierbaum and is entitled to 63.29 per cent of the profits and losses after paying incentive bonuses to certain employees.

Yesterday Martin stressed that the discussions which were taking place had been solely with a group involving the management but these were now terminated.

T. Cowie sells Stoke dealer

T. COWIE, the Sunderland-based Ford main dealer, has made the first of its disposals since the acquisition of Hanger Investments last summer took it above the Ford *policy limit* of five dealerships under one group.

The sale of Cowies of Stoke, its Stoke-on-Trent operation, brings the group's dealerships down to eight. The buyer is a new company, Capribay, which will trade as King Ford. Finance was provided by County Bank, which will retain an equity holding in Capribay.

Although terms fo the deal were not released, Mr Gordon Hodgson, Cowie's finance director, said the sale would add some £1m to the group's cash flow — of which a deposit to be recovered from Ford would account for about £250,000 alone.

He said Cowie was under no pressure from Ford for a quick disposal *of the three remaining* excess dealerships, but that the process was likely to be completed over the next year to 18 months.

Akroyd & Smithers

The annual meeting of Akroyd and Smithers, stockjobber, has been postponed until February 14 in order to enable shareholders who have not yet accepted the offer from Newco (1984) to give it further consideration.

The document containing details of the offer—part of the scheme under which the four-way merger of S. G. Warburg, Rowe and Pitman, Mullens, and *Akroyd will be undertaken—will* be posted to shareholders shortly. Acceptances have been received representing over 96 per cent of Akroyd.

BIDS AND DEALS IN BRIEF

Lynsal has informed Palmerston Investment Trust that it has bought a *further* 34,000 shares making its total shareholding 126,700 or 15.75 per cent of the capital. Palmerston is querying the number as it does not agree with previous information of purchases sent to it by Lynsal.

* * *

Vectis Stone Group has acquired Hydleman (Holdings), the assets of which comprise cash and the whole of the issued share capital of Hydleman Oils. The purchase consideration of £526,494, will be paid in cash from Vectis' existing resources.

Pre-tax profits of Hydleman for the year ended December 31, 1984 will be less than £115,000 before charging non-recurring items of £30,000. On this basis the net assets of Hydleman will amount to approximately £370,000 at that date.

* * *

London & Edinburgh Trust, the property development and investment group, has completed the purchase of Britannic House North, the former British Petroleum building in the City of London.

London & Edinburgh has paid £19m *to the Granada group* for the property's freehold and obtained planning consent to demolish *the building and* to develop 250,000 sq ft of new office space. Demolition has started.

Redevelopment is being undertaken by London & Edinburgh in a joint venture with Balfour Beatty. The speculative scheme is due for completion in May 1987.

* * *

A 39 per cent shareholding in Arcom Control Systems of Cambridge has been acquired by Fairey Holdings, the engineering sector of Pearson, for an initial consideration of £57,600. Dependent on profits earned a further payment of up to £57,600 will be made in 1986.

Arcom designs and manufactures a range of standard computer boards for industry and special purpose custom built microprocessor based control systems for particular applications.

* * *

In a deal potentially valued at least £1.5m, Corton Beach is planning to acquire Nissan car dealer Southgate Motor Company of Pontefract and video library and amusement centre operator, Corton Leisure.

* * *

Pritchard Janitorial Supplies, a member of Pritchard Services Group, has purchased the stock and assets of Henderson Hygiene from Scottish builders' merchant J. & W. Henderson, for a consideration of £0.32m.

Henderson Hygiene is one of Scotland's principal janitorial supply businesses. Effective from January 1, the move takes the number of branches in PJS's national network to 28 and gives it a £16m turnover nationally.

* * *

In 1985, Entrad Investments has sold 1.8m ordinary shares in Tootal Group, including the 350,000 already notified on January 7. Entrad's total holding in Tootal now stands at 10.6m shares (5.98 per cent).

* * *

Morgan Guaranty Trust of New York, London holds 2.8m ordinary (5.39 per cent) in Etam on behalf of a number of overseas discretionary investment clients.

The shares will be registered variously in the names of Glyns Nominees, Barclays Nominees, Chase Nominees and State Street Bank.

BASE LENDING RATES

A.B.N. Bank	12 %	C. Hoare & Co.	†12 %
Allied Irish Bank	12 %	Hong Kong & Shanghai	12 %
Amro Bank	12 %	Johnson Matthey Bkrs.	12 %
Henry Ansbacher	12 %	Knowsley & Co. Ltd.	12½%
Armco Trust Ltd.	12½%	Lloyds Bank	12 %
Associates Cap. Corp.	9½%	Mallinhall Limited	10 %
Banco de Bilbao	12 %	Edward Manson & Co.	13%
Bank Hapoalim	12 %	Meghraj and Sons Ltd.	12 %
BCCI	12 %	Midland Bank	12 %
Bank of Ireland	12 %	■ Morgan Grenfell	12 %
Bank of Cyprus	12 %	Mount Credit Corp.Ltd.	12 %
Bank of India	9½%	National Bk. of Kuwait	12 %
Bank of Scotland	12 %	National Girobank	12 %
Banque Belge Ltd.	12 %	National Westminster	12 %
Barclays Bank	12 %	Norwich Gen. Tst.	12 %
Beneficial Trust Ltd.	13 %	People's Tst. & Sv. Ltd.	13 %
Brit. Bank of Mid. East	12 %	Provincial Trust Ltd.	12½%
■ Brown Shipley	12 %	R. Raphael & Sons	12 %
CL Bank Nederland	12 %	P. S. Refson	12 %
Canede Perm'nt Trust	10½%	Roxburghe Guarantee	12½%
Cayzer Ltd.	12 %	Royal Bk. of Scotland	10½%
Cedar Holdings	11 %	Royal Trust Co. Canada	12 %
■ Charterhouse Japhet	12 %	■ J Henry Schroder Wagg	12 %
Choulartons**		Standard Chartered	‖12 %
Citibank NA	12 %	Trade Dev. Bank	12 %
Citibank Savings	¶10½%	TCB	12 %
Clydesdale Bank	12 %	Trustee Savings Bank	12 %
C. E. Coetes & Co. Ltd.	12½%	United Bank of Kuwait	12 %
Comm. Bk. N. East	12 %	United *Mizrahi Bank*	12 %
Consolidated Credits	12 %	Westpac Banking Corp.	12 %
Co-operative Bank	*12 %	Whiteeway Laidlaw	12½%
The Cyprus Populer Bk.	12 %	Williams & Glyn's	12 %
Dunbar & Co. Ltd.	12 %	Wintrust Secs. Ltd.	12 %
Duncan Lawrie	12 %	Yorkshire Bank	12 %
E. T. Trust	12½%		
Exeter Trust Ltd.	12½%		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	11 %		
■ Robert Fleming & Co.	12 %		
Robert Fraser & Ptns.	12½%		
Grindleys Bank	‡12 %		
■ Guinness Mahon	12 %		
■ Hambros Bank	12 %		
Heritable & Gen. Trust	12 %		
■ Hill Samuel	§12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.75%. 1 month 9.50%. Fixed rate 12 months £2,500 8.75% £10,000 12 months 9.00%.
† 7-day deposits on sums of under £10,000 8¾%, £10,000 up to £50,000 9½%, £50,000 and over 10¼%.
‡ Call deposits £1,000 and over 8¾%.
‖ 21-day deposits over £1,000 10%.
¶ Mortgage base rate.
§ Demand deposits 8½%.
** See Provincial Trust Ltd.

Aerospace Engineering payout cut after difficult first half

PROMPT CORRECTIVE action has been taken at Aerospace Engineering, say the directors, following a difficult half year in which a rise in pre-tax profits from £151,000 to £356,000 was offset by extraordinary debits this time of £723,000, relating to the sale of a subsidiary.

The dividend for the first six months to October 31 1984 has been cut from 1.625p to 1.2p. The directors point out that the final payment will depend on full year results—in the last full year the final was also 1.625p. The chairman is waiving his right to the interim payment.

First-half earnings per share are shown as 1.46p (0.54p).

The position at Aerospace Communications Systems (ACS) was reviewed during the period, and with further considerable investment needed, and an increasingly competitive position in the local authority market, this subsidiary was sold to Automated Security Holdings for £825,000.

The remaining balance of intercompany loans and their effect are disclosed in the extraordinary debit.

In the last full year group pre-tax profits were down by £810,000 to £448,000 following start-up costs of £515,000 at ACS.

Aerospace expects to use the proceeds from the sale of ACS for further acquisition in its mainstream business.

First-half group turnover of this precision engineer to the aerospace industry moved ahead from £6.31m to £6.93m.

Commenting on the period the directors say conditions in the civil aircraft industry continue to be "very tough." However, profits at Cooper Merseyside exceeded budget. The process of consolidation at Swindon continued and the Benmar acquisition was successfully absorbed.

VFP Fluid Power achieved profits in excess of budget, they say, and VNE Nuclear continues to trade profitably. There has been a "considerable improvement" in the order book at this company.

Glass Glover up to £1.8m and sees satisfactory year

Glass Glover Group, food distributor and importer of fresh fruit and vegetables, raised pre-tax profits from £1.53m to £1.84m for the year to September 30, 1984, on a higher turnover of £72.8m, against £63.9m.

Current trading conditons are generally satisfactory, although the weakness of sterling continues to restrict the company's importations from Western Canada and the U.S., the directors state.

While new developments will not significantly contribute to profits until 1986 and will incur establishment and restructuring costs this year, the directors anticipate another year of satisfactory profits.

The final dividend is raised to 2.075p (1.875p) net making a total of 3.45p, against an adjusted 2.8125p after allowing for the one-for-three scrip issue. Earnings per 5p share are stated up from 9.43p to 12.51p.

Operating profits increased from £1.64m to £2.03m, before interest payments of £189,000 (£109,000) and investment income of £700 (£1,000).

The company has continued to respond to demand from suppliers and major clients for more advanced and sophisticated handling and transport facilities, and in November 1984 it announced the purchase of a warehouse and office complex at Harlow in Essex, which is currently in the course of extension and re-development. Operations from this depot are planned to commence in the summer of 1985.

Third party distribution activities on behalf of leading supermarket and chain store organisations also gathered pace during the year.

Encouraged by the first full year of dry grocery distribution from the new Livingston, West Lothian depot, the group acquired the lease of a 180,000 sq ft distribution centre at Middleton, near Manchester, from where partial trading commenced in August, 1984. This depot is expected to be fully operational during the early part of 1985.

Last month, the group announced that it had conditionally acquired Rankins' Fruit Markets in Edinburgh.

The anticipated benefits from this acquisition include an extension of the group's produce trading in Scotland, an initial involvement in the marketing of flowers and plants and the release of group facilities at Newbridge for the purpose of a further expansion of third party distribution services.

FII sales rise 44%

A SUBSTANTIAL 44 per cent growth in sales from I£43.6m to I£62.88m has resulted in FII, the Dublin-based fruit, flower and vegetable merchant, lifting pre-tax profits by 26 per cent to I£3.04m for the year ended October 31, 1984, against I£2.42m previously.

The company says the results reflect a satisfactory trading performance in a generally difficult economic climate and it remains confident about its long-term prospects.

Following a rise in the tax charge from £833,163 to £1.43m and higher minority profits of £78,106 (£6,745), the attributable balance came out lower at £1.53m, compared with £1.58m.

Earnings per 5p share decreased from 9.96p to 9.07p, but the dividend total is raised to 3.9p (3.54p) net with a final of 2.72p. The company's shares are traded on the unlisted securities market.

Dividends absorb £657,695 (£590,016) leaving a retained surplus of £873,210, compared with £988,408.

At the interim stage, the company reported an advance in pre-tax profits from £905,000 to £1.06m.

BOARD MEETINGS

TODAY

Interims: Country and New Town Properties, Davy Corporation, Dixons, Dowty, Independent Investment, MFI Furniture, Norbain Electronics, Northamber, David S. Smith, Symonds Engineering, Western Board Mills.

Finals: S. and W. Berisford, Elandsrand Gold Mining, Electronic Machine, Oakwood, SGB, South African Land and Exploration, Southvaal, Vaal Reefs Exploration and Mining, Western Deep Levels.

FUTURE DATES

Interims—

Caledonian Assocd. Cinemas	Jan 23
Capital TV Facilities	†Jan 21
Global	Jan 24
Kenyon Securities	Jan 24
Meat Trade Suppliers	Jan 29

Finals—

Derby Trust	Jan 24
Energy Resources and Services	Jan 22

† Amended.

MINING NEWS

Record December quarter as Buffels passes R81m

BY KENNETH MARSTON, MINING EDITOR

HIGHER gold prices in terms of South African rands have produced another crop of increased mine profits for the December quarter, this time from the Gencor group. Buffelsfontein, which does not make forward gold sales, has done particularly well with a record profit at pre-tax level of R81.5m (£32.5m).

After allowing for a reduced rate of taxation resulting from the acquisition of the Beatrix mine, Buffels' net profit for the quarter comes out at R69.9m against R51.9m in the previous three months. The Beatrix section received a high average price for its gold sales of R20,101 per kilogramme, and the sharply increased income of R19.4m has been credited to capital expenditure.

The average gold prices obtained by the Group's mines are compared in the following table.

	Dec qtr R/Kg	Sept qtr R/Kg
Brackes	*19,129	*17,058
Buffels	19,496	17,639
Grootvlei	19,424	17,499
Kinross	19,605	17,473
Leslie	*19,503	*17,316
Marievals	*19,162	*17,593
St Helena	19,257	17,436
Stilfontein	*19,025	*17,870
Unisel	19,313	17,568
W Rand Cons	*15,897	*16,933
Winkelhaak	19,542	17,451

* Includes the effect of closing out of forward sales contracts.

Stilfontein has increased its gold production and held costs in check, but the main boost to the latest quarter's earnings has come from the receipt of a boosted half-yearly dividend from the Chemwes uranium subsidiary. Stilfontein has sold forward its expected gold production up to September at prices ranging up to R22,982 per kilogramme.

A disappointing net profit at Winkelhaak reflects an increased tax deduction. Higher tax has also resulted in lower earnings for the quarter at Leslie and Unisel.

The quarterly net profits are compared below.

	Dec qtr R000	Sept qtr R000	June qtr R000
Bracken	3,007	2,905	2,413
Buffels	69,951	51,851	54,244
Grootvlei	7,841	6,437	4,438
Kinross	17,431	15,324	11,155
Leslie	5,131	5,289	3,585
Marievale	1,047	910	200
St. Helena	21,861	19,148	14,368
Stilfontein	24,541	8,320	11,397
Unisel	11,130	12,806	8,830
W. Rand Cons.	2,475	2,079	1,563
Winkelhaak	16,687	10,615	13,574

Backing for Teck/Corona gold venture

Canada's Teck Corporation and International Corona Resources have signed financing agreements of C$154m (£103m) with seven banks for the development of the companies' jointly-owned gold venture in the Hemlo camp in Ontario.

The loans cover all of the financing required for the project.

A combined 62 per cent stake in Corona is held by Royex Gold Mining and Pezamerica Resources which are planning to merge.

Gencor taking advantage of SA peace initiatives

THE Afrikaner-controlled Gencor group is extending its interests into Swaziland, encouraged by the recent peace initiatives taken by the South African Government.

The South African group's Trans-Natal coal arm has taken over the management and operation of a colliery at Mpaka and has been granted coal prospecting rights in the surrounding area. This follows an agreement signed between the company and Swaziland at the end of last year.

The colliery, Emaswati Coal, produces for both the inland and export markets. The Swaziland authorities and Trans-Natal coal are investigating the possibility of a coal-fired power station in the area which would use Swaziland's coal reserves.

Mr Graham Thompson, managing director of Trans-Natal, said that although Swaziland does not at present have the demand for all of the power that such a station would produce, it might be possible to sell some of the power to South Africa.

Denison plans share issue

THE DIVERSIFIED Canadian energy producer, Denison Mines, with plans to strengthen its finances by a preferred share issue of up to C$150m (£102m) following a 20 per cent fall in 1984 earnings, reports Bernard Simon from Toronto.

Commenting on the proposed issue, Mr Stephen Roman, the chairman, said, "it's a question of getting our financial house in good order." The company's debt has risen substantially in recent years with the need to finance new mining and energy projects.

Earnings last year amounted to C$80.5m, or C$1.61 per share, compared with C$100.3m in 1983. The cash flow from operations increased from C$240.1m to C$249.4m.

Mr Roman said that the fall in earnings stemmed from lower revenues from the offshore Casablanca oil field in Spain, higher oil and gas operating costs in Canada, increased energy exploration costs and a fall in investment income from C$25.6m to C$1.1m.

The company made no mention of its investment in the big open-pit Quintette coal mine in north-eastern British Columbia in which it has a 50 per cent stake. The mine, which was opened last year, is reportedly experiencing a number of operating problems. Details of its operations are expected in Denison's annual report.

Echo Bay to take up gold search option

Canada's Canoe Resources says that Echo Bay Mines has decided to exercise its option to acquire up to 45 per cent of the company's Coronation Gulf gold property in the Northwest Territories.

A year ago Echo Bay signed a letter of intent to spend at least C$1.1m (£748,000) on the property in 1984. It had the option to continue exploration after 1984 and could earn up to a 45 per cent interest with a total expenditure of C$6m by 1988.

BUSINESS LAW

The challenges that Scottish solicitors now face

BY DEBORAH HARRIS

THE GOVERNMENT'S plan to abolish the solicitors' monopoly in domestic conveyancing has come as a rude shock to Scottish solicitors. It has highlighted the whole issue of the provision of legal services in Scotland.

One reason for Scottish solicitors' sense of grievance stems from the feeling that Mr Austin Mitchell's House Buyers' Bill was a response to a peculiarly English set of evils. Because of the different conveyancing system in Scotland, a contract to buy a house is usually made in a matter of days. Once made, it is legally binding and not dependent on a chain of other transactions. Thus, there is certainty, no delay and no "gazumping." In this respect Scottish solicitors feel they have served the public well.

Registration of title began in Scotland only in 1981 and will take many years to complete. Under the existing system checking the title can be a lengthy procedure, sometimes requiring a detailed knowledge of the Scots law of property and feudal tenure. It is the individual firm of solicitors which guarantees that the title is a good one and which is liable in damages if it is not. Until registration of title is complete and the state guarantee replaces that of the solicitor, the prospect of licensed conveyancing in Scotland may not be all that attractive to non-solicitors.

The profession is much more worried about the possibility of solicitors employed by institutions such as banks and building societies undertaking conveyancing work. Doubtless their reasons are similar to those of their English counterparts: a mixture of self-interest and a genuine concern for the problems of conflict of interest that might arise. Certainly Scottish solicitors are more involved in the whole process of buying and selling property from start to finish and arguably to lose conveyancing would hit them harder. Outside Edinburgh and Glasgow solicitors handle most of the estate agency business. There are 29 solicitors' property centres throughout Scotland. The solicitors negotiate a purchase or a sale and even hassle the other side's solicitor as to why the central heating system is not working.

As of January 1 1985 the scale fees for conveyancing and for executry work have been abolished. The Law Society of Scotland has also now reluctantly accepted that it must bow to the Government's wishes concerning advertising.

Where will solicitors turn if conveyancing goes?

The big city firms, with 25 to 30 partners, in Glasgow and Edinburgh who rely largely on commercial and company work can afford not to worry. However 40 per cent of the profession's income is derived from domestic conveyancing and commission on the sale of property and the small law firms, of which there is a greater proportion in Scotland than in England, mostly rely on it.

By contrast with England and Wales, the Scottish solicitors have a greater scope in court. There are fewer than 200 practising advocates throughout Scotland. Advocates are necessary only in the High Court of Justiciary (which deals with criminal cases) and the Court of Session (the highest civil court) and the respective Courts of Appeal.

Solicitors have right of audience in the 49 sheriff courts throughout the country and most sheriff court work, civil and criminal, is undertaken by them. The sheriff court now has a very wide jurisdiction in civil matters and only a few classes of action are restricted to the Court of Session. In criminal cases the offences of rape and murder must be tried in the High Court but the only other limit on criminal jurisdiction is that the Sheriff has a maximum sentencing power of two years' imprisonment.

Thus Scottish solicitors already undertake more court work than their English counterparts. Moreover, the Scottish Bar is presently recovering from a blow struck from a different quarter. Since 1976 when the divorce laws were brought in line with England, the Junior Bar has prospered on the deluge of legally-aided divorces. However, in May 1984 the local sheriff courts were given concurrent jurisdiction, which is usually simpler and cheaper, and does not require the appearance of a barrister.

The change in the divorce procedure has also hit those Edinburgh firms which were agents for local solicitors. This was another reliable source of income and partners in those firms most affected are already feeling the squeeze. One firm's reaction has been to set up a small network of branch offices in areas just outside Edinburgh in an attempt to build up a more widely based practice.

Criminal law particularly is seen as a "good field to get into," but one which presumably is not without limit.

Another possible area of expansion for some firms is to offer a wider range of financial and legal services to small businesses. This is something that the Law Society is encouraging and some firms already employ their own accountant for this purpose.

Scottish solicitors were also quick to see the advantage in establishing branch offices in the poorer parts of town. This has been happening since the mid-1970s, less out of social conscience than a recognition of the profitability in a large turnover of criminal and matrimonial legal aid work.

Nearly all Scottish legal firms are on the legal aid lists. This has disguised a need for legal services not covered by the present scheme and the need for publicly funded solicitors, of a type that does not exist in Scotland at the moment. There is only one Law Centre in Scotland, in Castlemilk, a deprived area of Glasgow. Recently its funding has been cut and it now employs just one solicitor.

Thus, while the private legal firm will willingly act for individuals who can be financed by legal aid, there are few lawyers prepared to do much for people with legal problems arising from social security, employment or housing difficulties, or appearances before the Children's Panel.

With the often large amount of work involved, it is uneconomic to undertake these cases. Moreover, many solicitors know next to nothing about so-called "welfare law." It is not a prescribed subject to entry to the profession and at Edinburgh University it is no longer a compulsory part of the curriculum for law students.

Since the Tenants' Rights (Scotland) Act 1980 gave security of tenure to district council tenants, every eviction contains potential for a legal action. But the scale fee chargeable for court time is fixed at a particularly low rate in this type of action (£9.50 an hour). As a result, many solicitors will not undertake such work and the tenants are usually left unrepresented, to rely on the sympathy and guidance of the presiding sheriff.

Another gap in the legal service is felt in the children's panels. These deal not only with offences by young persons, but are also involved in removing young children "at risk" from their parents. Again this is a complicated legal field where legal aid is not available to the parents except on appeal. The solicitor who takes on this type of work is a rare bird indeed.

Thus there are plenty of areas where solicitors are needed. Yet if the present government measures are designed to make the law more commercially oriented it is likely that these areas will be even more neglected than at present and will remain a challenge to the Scottish Law Society.

A. H. Hermann, Legal Correspondent, will resume his weekly articles shortly. During his absence, this column will be written by a number of guest contributors. Ms Harris is an Edinburgh solicitor.

Accountancy Appointments

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The post is eminently suitable for an ambitious, resourceful, young person wanting to leave the profession and willing to work in a commercial, unstructured corporate environment where there will be a significant travel element. Computer audit experience is essential and knowledge of the commodity or financial sectors would be an advantage.

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Please write, in complete confidence, with full career details and quoting ref. no. 1558 to Mike Ham who is advising on this appointment.

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A chartered accountant, aged 32-37, is required to join the board of a private group with a current turnover of £25m and planned substantial increases during the next two years. The group has expanded rapidly with an enviable profit record, and expects a full stock market flotation in due course.

The post requires the personal qualities necessary at board level, together with the technical skills essential to formulate financial policy, exercise tight controls, and ensure that financial systems are of public company standard. The brief also includes responsibility for close liaison with the company's bankers and external taxation, legal and insurance advisers.

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Please write in strict confidence with personal and career details, quoting ref. 1212/FT to:

Philip Smith
Manpower Consultants
85-87 Jermyn Street, London SW1Y 6JD

Finance Director

c.£35,000 plus car
Yorkshire

A chartered accountant, aged 32-37, is required to join the board of a private group with a current turnover of £25m and planned substantial increases during the next two years. The group has expanded rapidly with an enviable profit record, and expects a full stock market flotation in due course.

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Candidates must have had experience in a distribution and manufacturing organisation — preferably consumer products — and ideally will currently be employed as the finance director of a substantial and successful subsidiary of a large publicly quoted group or in a senior financial management post in a large company.

All applications will be acknowledged, and will be treated in the strictest confidence by our client. They should be sent to: Ref: MA 543, Robert Marshall Advertising Limited, 44 Wellington Street, London WC2E 7DJ.

Robert Marshall Advertising Ltd

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, February 28, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." The advertising rate will be £37.00 per single column centimetre. Special positions are available by arrangement at premium rates of £44.00 per scc. Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

We will also be including in this feature a

GUIDE TO RECRUITMENT CONSULTANTS

and entries in the guide will be charged at £55.00 which will include company name, address and telephone number.

For further details please telephone:

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

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A wider perspective on Financial Accounting

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As Financial Accountant your brief will be particularly wide-ranging, involving responsibility for all aspects of financial and management accounting for a number of group companies. It includes the preparation of monthly management accounts, periodic financial accounts and annual budgets, as well as monthly variance analysis.

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Probably aged 25–35, we are also looking for the aptitude and/or experience to make *the best possible use of our computerized* accounting facilities.

In return for your commitment and drive, our client offers genuine scope for career development, as well as the executive rewards package to be expected from a major and progressive company.

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Austin Knight Selection

Accountancy Appointments

Financial Controller

Greater Manchester £18,000 + Car

Our clieot is tha UK subsidiary of a prestigious US parent and supplies, tests, processes and packages hi-tech electronic componeots for a wide range of customers in UK and some twenty overseas markats. Its development and rate of growth now demand the appointment of a Financial Controller who will report to the Managing Director and take responsiblity for all financial and Secretarial functions in the company.

Probably aged early 30s upwards, and well qualified, the appointee will demonstrate successful experience in the management of an Accounts departmeot, and in the rapid provisioo of managemeot information and control to UK and overseas recipieots io a complex and fast-moving international environment. Experience of the electronics industry is oot vital, but the development of sensitive, computerised cost control systems would be an especially useful background.

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Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to Mr. C.A. Cotton, Executive Recruitment Division, Stoy Hayward Associates, Peter House, St. Peter's Square, Manchester, M1 5BH, quoting reference M 683

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Financial Director
(DESIGNATE)

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The successful candidate will be eager to learn profit oriented management accounting from experienced financial managers, and will possess the flair to gain promotion in the short term to one of our top-rated, sales oriented business manager positions.

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Please write with full CV to Alan Smith, Personnel Manager, Honeywell Information Systems Limited, Honeywell House, Great West Road, Brentford, Middlesex TW8 9DH. Telephone 01-568 9191.

Together, we can find the answers.

Honeywell

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Recently qualified The City

Morgan Guaranty Ltd is a dynamic and expanding subsidiary of The Morgan Bank active in the eurobond and international capital markets. The fast-moving and complex nature of our *business demands immediate and accurate management* information and this fact, combined with our significant expansion, has resulted in the need for a high-calibre accountant.

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This is an important role where you will utilise sophisticated accounting techniques supported by advanced systems. You should be highly numerate with good interpersonal skills and a determination to achieve.

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However, before we tell you more, we'd like to know why you think you're special. So please write to Michael Hurton at the address below, including details of your career to date and your salary history, quoting reference 2242.

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The Business Partners
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Telephone: 01-353 8011

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Reporting to the Chief Executive, he or she will be responsible for all aspects of financial control with particular emphasis upon the enhancement of financial analysis, forecasting and control systems, and the development of an in-house computing facility.

Candidates, aged 25/40, will be able to demonstrate sound commercial and business acumen, together with experience of relevant computerised systems, and bring to the role a flexible yet positive approach. Relevant sector experience and formal financial qualifications will prove advantageous but are not essential to the successful candidate.

For a confidential discussion, please telephone Peter Smith on Nottingham 0602 505923. Alternatively, please send him full details of education and career to date including current salary and benefits to GTF Consulting Group Ltd., Gothic House, Barker Gate, Nottingham, NG1 1JU, quoting Reference Number PS/RO1785.

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SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday January 17 1985

Euroyen revival threatens market indigestion, Page 46

WALL STREET

Bank profit momentum dissipated

BANKS and the financial sector provided some stimulus on Wall Street yesterday following the wave of successful results from major New York banking houses, *writes Terry Byland in New York.*

Industrial stocks also turned higher again at first but progress was erratic as investors awaited today's announcement of results by IBM, which will provide a key test of the view that the U.S. economy is again gathering pace.

The stock market pushed ahead vigorously in the first half of the session but momentum was lost later and the final picture was somewhat mixed. The Dow Jones industrial average which cleared 1,238 before dipping to 1,228, closed at 1,230.68, a mere 0.11 points lower on the day. Turnover of 135.9m shares remained high.

The bond market, however, looked less confident after some economists had cast doubt over the unexpected fall in December retail sales. The federal funds rate opened higher, touching 8½ per cent in early trading.

Wall Street's conviction that the U.S. economy is gathering pace was fuelled by news that inventories rose by only 0.1 per cent in November, while industry operating rates increased in December. A jump of 12 per cent in new car sales in early January – to the highest rate for nearly 20 years – heightened optimism. Moreover, trading statements from the major banks have suggested that the worst problems of the financial sector may now be under control.

Once again, the stock market benefited from several institutional buying programmes in the early part of the session. But gains were quickly trimmed when buying pressure faded. Bonds, nervous over the federal deficit and of upward pressures on interest rates if the economy explodes again, were subdued.

Chase Manhattan Bank, $1⅛ up at $50⅞, continued to lead bank stocks. Also higher were Citicorp, $⅞ up at $40⅞, Manufacturers Hanover, $⅜ at $33⅛, First Chicago, $⅜ at $23⅞, J. P. Morgan, $⅛ at $41¾ and Bankers Trust up $⅝ at $60.

Higher sales news from Detroit was accompanied by a favourable profit forecast from Ford, which added $⅝ to $47⅞. General Motors, however, lost $¼ to $80⅞.

At $124, IBM lost $¾ ahead of the results. A dividend increase left NCR $⅛ better at $27⅞, while Burroughs was also strong, $1⅛ higher at $61¼.

Further block trades in AT&T left the price $⅛ better at $20⅝, on extremely heavy turnover.

Among the smaller computer issues, Wang Laboratories, which is holding talks on collaboration with CIT-Alcatel of France, lost $1⅛ to $24⅞, with more than 1m shares traded on the American Stock Exchange following the trading statement. Apple Computer put on $¼ to $30¼.

The airline results season opened with AMR (American) $⅝ lower at $37¼ with the fall in earnings slightly greater than analysts expected. United added $⅛ to $47⅝, while Delta lost $⅛ to $45¼.

ITT added $⅝ to $32 after disclosing plans to sell off a major portion of the assets. Other features included International Harvester $⅛ up at $10 as the speculators began to look for a bid, now that the group has divested itself of the loss-making operations.

At $35¼, Parker Hannifin rose $⅛ to $34 after disclosing a sharp rise in profits in the second quarter. Kerr McGee, the oil services group, gained $⅛ to $26¼, after announcing it would take a charge against profits. Unidynamics gained $1⅞ to $28⅛ on news of a $29 a share tender offer from Crane.

In the credit market, the Federal Reserve helped year-end cash flows with overnight system repurchases which had little effect on short-term rates, which were little changed. Minor falls in bond prices included a 7/32 dip to 101 9/32 in the key long bond.

LONDON

Institutions inspire confidence

OPTIMISM SURGED back into the London equity market yesterday, carried by renewed institutional interest. The FT ordinary share index firmed 19.5 to 981.3, thus regaining in two sessions the 33 point reversal sustained after the recent sharp rise in UK interest rates.

The accent was again on groups known to have overseas earnings potential with ICI jumping 18p to a record 776p. British Telecom again performed strongly to rise 5½p to a best-ever 125p.

Investors in gilts were impressed with sterling's stability. The authorities were able to sell the long tap Exchequer 10½ per cent 2005, in first-time dealings, accepting a bid of 40¼ for supplies of the £40-paid stock and withdrawing.

Longer-dated gilts suffered as funds were raised for reinvestment. They surrendered early gains of ¼ or so to close a net ⅛ down on the day.

Chief price changes, Page 38; Details, Page 39; Share information service, Pages 40–41

HONG KONG

BUYERS REASSERTED dominance over the course of trading in Hong Kong, forcing a strong recovery from Tuesday's profit-taking slump.

The Hang Seng index recovered 10 points in the first hour and closed the half-day session up 27.81 at 1,358.81.

Property issues again featured. Cheung Kong was up 90 cents to HK$13.80, Hongkong Kowloon Wharf 15 cents to HK$5.85, Hongkong Land 10 cents to HK$4.40 and Sun Hung Kai Properties 15 cents to HK$8.95.

Among other leading issues, China Light advanced 30 cents to HK$15.00.

SINGAPORE

THE DOWNWARD drift continued in Singapore as buyers remained on the sidelines awaiting clarification of several local situations which have slowed activity since Christmas.

The Straits Times index fell a further 5.76 to 764.38, with falls outnumbering rises by five-to-one on turnover down from 6.9m on Tuesday to 6.3m.

National Iron closed down 20 cents at S$2.90, L and M 19 cents lower at S$2.29, Hume Industries 10 cents off at S$3.20 and Straits Trading 6 cents down S$4.22.

AUSTRALIA

RESOURCE STOCKS remained under pressure from sellers in Sydney while leading industrial issues enjoyed mild underlying support.

Doubts about the future of international mineral prices, particularly gold, continued to cloud trading in mineral exporters. Among the largest losers, Central Norseman shed 10 cents to A$4.90 while 5 cent falls took CRA to A$4.90, Emperor to A$2.20 and Renison to A$3.35.

Investor uncertainty over Peko Wallsend's offer for Weeks Petroleum led to a further 10 cent fall to A$4.25.

SOUTH AFRICA

A REACTION to recent improvements pushed gold shares lower in Johannesburg during moderate trading.

Southvaal lost R2 to R79 while many lower priced issues followed the trend and lost ground, taking other mineral stocks with them. Rustenburg Platinum slipped 25 cents to R16.60.

Industrials tended easier and were traded lightly.

CANADA

A BROAD advance emerged during trading in Toronto with strong gains among gold and metal stocks underpinning the improvement.

Alcan traded up C$⅛ at C$39¼ and was followed by Innopac C$⅛ higher at C$12⅛ and Bank of Nova Scotia which rose C$⅛ to C$13⅞.

Prices edged forward in Montreal on sharply increased volume.

TOKYO

U.S. factors steer index to record

LOWER U.S. interest rates and the surge on Wall Street combined to stir buying interest in Tokyo yesterday, pushing up the Nikkei-Dow Jones market average to an all-time high, *writes Shigeo Nishiwaki of Jiji Press.*

Investors, daunted by recent price rises, however, sought medium and low-priced incentive-backed issues that were lagging behind the market advance and some quality stocks. This trend was fuelled by growing expectations of restrictions on equity trading, and turnover was high.

The Nikkei-Dow soared 109.11 points from Monday's close to 11,933.02, surpassing the previous high of 11,824.38 reached last Thursday. Volume swelled to 455.75m shares from Monday's 380.38m. Advances outstripped losses by 461 to 300, with 150 issues unchanged.

Enthusiasm for stocks picked up in response to Manufacturers Hanover Trust's cut in its prime lending rate to 10½ per cent on Monday.

The prime rate reduction generated expectations of a third cut in the U.S. Federal Reserve discount rate, leading to higher prices on Wall Street. However, soaring prices in Tokyo led investors to anticipate restrictive measures by the exchange authorities. Caught between these bullish and bearish factors, investors flocked to trade in laggards in the hope of fast profits.

Musical instrument shares attracted buyers. Nippon Gakki, ranked fifth on the active list with 8.77m shares and moved the maximum Y200 to Y1,670 on speculative buying. Kawai Musical Instruments, ranking eighth with 6.61m shares, also went the maximum Y80 up to Y536. This reflected its good performances in the field of semiconductors rather than mainstream operations.

Elsewhere, Tokyo Juki Industrial moved the maximum Y100 up to Y605 on the prospect of industrial sewing machine and plant exports to China. Japan Carlit also rose the maximum Y80 to Y453.

Among blue chips, Matsushita Electric Industrial gained Y30 to Y1,600 and Clarion Y44 to Y764, both on small-lot buying.

The bond market presented a drab picture with many investors on the sidelines. Prospects for a persistently weak yen against the dollar discouraged many investors from buying long-term bonds.

Early in the morning, some city banks and debenture-issuing banks placed small orders for bonds with about nine years remaining to maturity.

The move was not followed through, however, and trading was extremely thin. The yield on the benchmark 7.3 per cent government bond, due in December 1993, dipped to 6.515 per cent from Monday's 6.525 per cent.

EUROPE

Frankfurt back at peak level

A DOWNWARD path was pursued by some leading shares during the later part of Frankfurt's trading session yesterday, but only after the midsession calculation of the Commerzbank index had been back at record breaking levels.

The index added 11.8 to 1,149.5 surpassing the previous peak of 1,146.1 set last Thursday.

Analysts say that the possibility of a ½ point rise in the Bundesbank's Lombard rate from today, has already been discounted.

The late decline was attributed to some nervousness over the high current levels of stock prices and there was also a degree of profit-taking.

Insurer Allianz, trading ex rights worth DM 124, added DM 48.50 to DM 1,036, having added DM 36 on Tuesday. Trading began yesterday in its one-for-five rights issue.

Motor manufacturers felt the effect of recent reports on falling sales due to uncertainty over tougher government exhaust regulations.

Volkswagen, down DM 3.30 to DM 203.70 was also unsettled by its deliberation on taking a stake in Seat of Spain.

Among electricals, Siemens added DM 2 to DM 493, after a high of DM 495.20, as it submitted a bid for Allen-Bradley, the Milwaukee-based automation equipment maker. Utility RWE put on DM 2 to DM 171.50 as it announced higher net profit in the years to June.

Bonds were mostly firmer in a technical reaction to the sharp fall in prices over the previous three sessions. The Bundesbank sold DM 39.5m of paper after the previous day's purchases totalling DM 37.3m.

Amsterdam continued on its record-setting way with the ANP-CBS General index up a further 1.1 at 191.4. Much of the credit for the advance went to Royal Dutch, up Fl 1.10 at Fl 179.10 in heavy trading after recommendations by a U.S. broker.

Much of the financial sector came in for light profit taking but insurer Nationale-Nederlanden posted a Fl 5.40 rise to Fl 283.50, after Tuesday's Fl 5.50 advance.

Bond prices were little changed in lacklustre trading after the Finance Ministry announced a new 7.5 per cent loan tender, in line with expectations.

Zurich shares continued to climb and the Swiss Bank Industrial index added 1.3 to a record 404.70. The strength of the dollar provided a boost to foreign demand while the bourse was also buoyed by expectations of favourable corporate results in the year ahead.

Among chemicals, Sandoz added SwFr 50 to SwFr 7,550 as it announced a 14 per cent rise in group sales to record levels. Ciba-Geigy rose SwFr 25 to SwFr 2,615 on further consideration of Tuesday's results.

Bonds were depressed by the local currency's continued weakness.

Paris was mixed to easier amid concern that any rise in Lombard rate could put pressure on French borrowing costs. The mood was also soured by market speculation that the Government was planning a state loan soon.

An easier tone was seen in **Brussels**. Vieille Montagne shed BFr 70 to BFr 5,210 despite expectations that the zinc producer will pay its first dividend in eight years on its 1984 results.

Milan and **Madrid** continued to edge higher from the peak levels set on Tuesday and **Stockholm** was also higher on the day in heavy trading which centred on Volvo, ahead of 1984 results. Volvo shares posted a SKr 14 rise to SKr 251.

In **Copenhagen**, shares of Provinsbanken, the country's sixth largest commercial bank, were suspended at the bank's request pending the outcome of negotiations for a merger with Kronebanken, that was rescued from liquidation a month ago.

KEY MARKET MONITORS

STOCK MARKET INDICES

NEW YORK	Jan 16	Previous	Year ago
DJ Industrials	1,230.68	1,230.79	1,267.50
DJ Transport	595.22	591.78	600.54
DJ Utilities	148.69	148.39	130.35
S&P Composite	171.19	170.81	167.18
LONDON			
FT Ord	981.3	961.8	821.2
FT-SE 100	1,254.1	1,233.2	1,042.7
FT-A All-share	604.53	594.77	497.74
FT-A 500	664.0	652.79	532.03
FT Gold mines	460.4	460.1	525.8
FT-A Long gilt	10.68	10.67	10.06
TOKYO			
Nikkei-Dow	11,933.02	11,823.91	10,150.9
Tokyo SE	935.77	930.39	762.24
AUSTRALIA			
All Ord.	734.3	734.8	769.9
Metals & Mins.	406.2	407.9	533.2
AUSTRIA			
Credit Aktien	58.55	58.52	55.33
BELGIUM			
Belgian SE	2,129.14	2,151.26	–
CANADA			
Toronto Metals & Minls	1,986.2	1,969.9	2,495.0
Composite	2,408.3	2,394.1	2,562.9
Montreal Portfolio	120.91	120.17	125.86
DENMARK			
Copenhagen SE	161.01	160.43	221.35
FRANCE			
CAC Gen	189.8	189.9	167.6
Ind. Tendance	106.6	103.9	89.5
WEST GERMANY			
FAZ-Aktien	396.26	391.33	351.62
Commerzbank	1,149.5	1,137.7	1,040.3
HONG KONG			
Hang Seng	1,358.81	1,331.00	975.17
ITALY			
Banca Comm.	250.27	246.89	218.04
NETHERLANDS			
ANP-CBS Gen	191.4	190.3	164.2
ANP-CBS Ind	153.2	152.2	137.4
NORWAY			
Oslo SE	311.53	314.31	234.98
SINGAPORE			
Straits Times	764.38	770.16	1,042.56
SOUTH AFRICA			
Golds	1,014.8	1,026.0	806.4
Industrials	902.8	903.5	985.9
SPAIN			
Madrid SE	108.87	108.86	75.53
SWEDEN			
J & P	1,426.69	1,414.01	1,528.43
SWITZERLAND			
Swiss Bank Ind	404.7	403.4	381.4
WORLD	Jan 15	Prev	Year ago
Capital Int'l	189.3	189.3	186.5

GOLD (per ounce)

	Jan 16	Prev
London	$302.75	$302.75
Zürich	$303.00	$303.05
Paris (fixing)	$303.97	$302.51
Luxembourg	$303.35	$302.75
New York (Feb)	$304.50	$302.30

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Jan 16	U.S. DOLLAR Previous	STERLING Jan 16	STERLING Previous
$	–	–	1.1185	1.12
DM	3.189	3.185	3.5675	3.5675
Yen	254.9	254.7	285.0	285.25
FFr	9.7625	9.7475	10.92	10.93
SwFr	2.675	2.68	2.995	3.0025
Guilder	3.603	3.5985	4.03	4.04
Lira	1,954.0	1,953.5	2,185.0	2,191.0
BFr	63.75	63.75	71.4	71.45
C$	1.32455	1.32445	1.4825	1.4805

INTEREST RATES

Euro-currencies (3-month offered rate)	Jan 16	Prev
£	12⅛	12 7/16
SwFr	5½	5⅝
DM	6	6 1/16
FFr	10 15/16	11 1/16
FT London Interbank fixing (offered rate)		
3-month U.S.$	8 7/16	8½
6-month U.S.$	8⅞	9
U.S. Fed Funds	6⅞	8⅝
U.S. 3-month CDs	8.15	6.10
U.S. 3-month T-bills	7.75	7.75

U.S BONDS

Treasury	Jan 16* Price	Jan 16* Yield	Prev Price	Prev Yield
9⅞ 1986	99 27/32	9.96	99 27/32	9.96
11⅜ 1992	101 9/16	11.37	101 9/16	11.35
11⅝ 1994	100 25/32	11.51	100 25/32	11.51
11¾ 2014	101 9/16	11.59	101 19/32	11.56
Corporate	**Jan 16* Price**	**Yield**	**Prev Price**	**Yield**
AT & T				
10⅜ June 1990	95⅞	11.40	95⅞	11.40
3⅞ July 1990	73⅞	10.25	73⅞	10.25
8¾ May 2000	77	12.10	77	12.10
Xerox				
10⅞ March 1993	94	11.80	94	11.80
Diamond Shamrock				
10⅜ May 1993	91⅝	12.25	91⅝	12.25
Federated Dept Stores				
10⅜ May 2013	86⅝	12.30	86⅝	12.30
Abbot Lab				
11.80 Feb 2013	94½	12.50	94½	12.50
Alcoa				
12¼ Dec 2012	96⅛	12.75	96⅛	12.75

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Mar	70–25	70–29	70–17	70–30
U.S. Treasury Bills (IMM) $1m points of 100%				
Mar	91.91	91.95	91.86	91.91
Certificates of Deposit (IMM) $1m points of 100%				
Mar	91.25	91.26	91.20	91.25
LONDON				
Three-month Eurodollar $1m points of 100%				
Mar	90.92	90.94	90.86	90.94
20-year Notional Gilt £50,000 32nds of 100%				
Mar	104–25	105–08	104–23	104–28

COMMODITIES

(London)	Jan 16	Prev
Silver (spot fixing)	535.85p	536.40p
Copper (cash)	£1,215.50	£1,196.25
Coffee (Mar)	£2,359.50	£2,348.00
Oil (spot Arabian Light)	$28.10	$28.35

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	18⅝	AAR	.48	2.8	14	531	18¾	18⅝	18¾	−⅛
30½	9⅛	AGS			11	256	15½	14¾	15⅜	+½
21	13½	AMCA	1	7.3		2	13¾	13¾	13¾	−⅛
17⅞	13⅛	AMF	.80	3.3	84	448	15⅛	14⅞	15⅛	+⅛
51⅞	49⅝	AMF	pf 5e	10		10	50¼	50¼	50¼	+¼
41¼	24½	AMR			8	11137	38¼	36⅞	37½	−⅜
20⅞	18¾	AMR	pf2.18	11.		4	19⅝	19½	19⅝	
41½	27½	AMR	pf2.13	5.7		415	38	36⅞	37⅞	−⅛
69¾	44⅛	ASA	3	6.2		673	48½	47⅞	48¼	+⅛
26½	16	AVX	.32	1.8	11	639	18½	17⅞	18	−⅞
48¼	35¼	AbtLab	1.20	2.7	14	4026	43⅞	42⅞	43⅝	+1⅛
23⅝	15½	AccoWd	s.44	2.0	18	159	22¾	22½	22½	
27	12½	AcmeC	.40	2.6		305	15⅜	14⅞	15⅛	+¼
12⅞	8¼	AcmeE	.32b	3.4	13	34	9⅜	9⅛	9⅛	
18¾	15	AdaEx	2.11e	13.		84	16	15⅝	15⅞	−⅛
18⅞	11⅞	AdmMl	.32	2.1	6	110	15¼	13	15⅛	+⅛
20¼	8⅝	AdvSys	.811	7.5	17	352	10⅞	10¾	10¾	−⅛
41⅛	25⅛	AMD			14	7257	33	32¼	32⅞	+⅜
13	8⅝	Advest	.12	1.3		60	9¼	9⅛	9⅛	
14⅞	6⅛	Aerflex			11	42	11¾	11⅜	11⅜	+⅛
39	27¼	AetnLf	2.64	6.9	32	2635	38¼	37⅞	38	
58¼	52⅝	AetL	pf5.87e	11		6	55½	55¼	55½	+⅛
34½	15¾	Ahmns	1.20	4.2	13	1991	28⅝	28¼	28½	+⅜
8⅛	2⅝	Aileen			29	35	3	2⅞	2⅞	

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

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X–Y–Z

12 Month High	Low	Stock	Div. Yld. P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
50¼	33¼	Xerox	3 7.4 12	4027	40⅝	39¾	40⅝	+⅝
50½	45¼	Xerox	pf5.45 11.	61	49½	49⅓	49½	
36	19	XTRA	25 10	581	25⅛	25¼	25¼	
31½	24	ZaleCp	1.32 5.3 6	73	25	24½	24⅞	+⅜
24⅞	14½	Zapata	.84 5.8 12	1154	14⅞	14½	14⅝	+⅛
49⅝	26¾	Zayre	.40b .8 13	417	u49⅝	49⅛	49⅝	+¼
38⅛	18⅝	ZenithE	7	1999	21⅞	20⅝	21	−¼
36	18	Zero	.40 1.7 18	48	23⅞	23¾	23⅞	
29¾	21⅛	Zurnln	1.32 4.4 13	175	u29⅞	29¼	29⅞	+½

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Jan. 16	Price Sch.	+ or −
Creditanstalt	226	−1
Goesse	339	....
Inlsrunrfal.1	405	....
Laenderbank	228	−1
Perlmooser	389	+1
Steyr-Daimler	165	....
Veitscher Mag	255	....

BELGIUM/LUXEMBOURG

Jan. 16	Price Frs.	+ or −
B.B.L.	1,950	....
Banq. Int. A. Lux	6,530	....
Bekaert B	4,410	+10
Ciment CBR	2,505	−5
Cockerill	261	−7
Delhaize	5,640	+40
EBES	2,610	−45
Electrobel	9,170	−40
Fabrique Nat	3,100	+20
GB Inno BM	5,050	−30
GBL (Brux)	2,020	−20
Gevaert	3,605	−45
Hoboken	6,140	−40
Intercom	2,040	−110
Kredietbank	7,700	....
Pan Hldgs	10,100	+110
Petrofina	6,750	−70
Royale Belge	10,250	−225
Soc. Gen. Banq	3,260	+10
Soc. Gen. Belge	1,205	−25
Sofina	7,300	−160
Solvay	4,090	−30
Stanwick Intl.	1,450	....
Tractionel	3,726	−55
UCB	4,240	−10
Wagon Lits	2,225	+15

DENMARK

Jan. 16	Price Knr %	+ or −
Andelsbanken	262	−2
Baltic Skand	650	+6
CopHandelsbank	261	+2
D. Sukkerfab	470	....
Danske Bank	262	+2
De Danske Luft	1,120	+20
East Asiatic	138	+2
Forenede Brygg.	795	....
Forenede Damp.	95	−1
GNT Hldg	561	−2
I.S.S.B	345	....
Jyske Bank	510	+5
Novo Ind.	1,465	+10
Privatbanken	226	+2
Provinsbanken	513	....
Smidth (F)	220	+1
Sophus Berend	885	....
Superfos	412	−2

FRANCE

Jan. 16	Price Frs.	+ or −
Emprunt 4½% 1975	1,641	+10
Emprunt 7% 1973	8,220	....
Accor	235.5	−1
Air Liquide	566	−7
BIC	536	+1
Bongrain	1,740	+12
Bouygues	752	+7
BSN Gervais	2,419	−27
CIT-Alcatel	1,250	....
Carrefour	1,942	−37
Club Mediter'n	1,163	+2
Cie Bancaire	592	+1
Cofimeg	250	−1
Oamart	2,400	+15
Darty	1,093	−12
Dumez S.A.	726	....
Eaux (Cie Gen)	557	+12
Elf-Aquitane	225.1	−2.4
Essilor	2,925	−24
Gen. Occidentale	659	+1
Imetal	77.4	+1
Lafarge Coppee	371	−5
L'Oreal	2,363	+2
Legrand	1,298	+19
Maisons Phenix	218	−4
Matra S.A.	1,740	....
Michelin B	780	−9
Midi (Cie)	2,160	+9
Moet-Hennessy	1,951	+2
Moulinex	99.5	+3.6
Nord Est	80.5	−0.9
Pernod Ricard	699	−7
Perrier	476	−4.5
Petroles Fra	258.3	−0.3
Peugeot S.A.	231	−2.5
Printemp.Aus	181.5	−4
Radiotech	229.1	+4.1
Redoute	1,210	−6
Roussel-Uclaf	1,605	−35
Selimeg	292	−0.6
SkisRossignol	1,899	−1
Telemech Elect	2,200	−25
Thomson CSF	438	....
Valeo	230.9	+2.9

GERMANY

Jan. 16	Price Dm.	+ or −
AEG-Telef	104.6	−1
Allianz Vers	1036kr	+46.5
BASF	192.6	....
Bayer	122.3	+0.4
Bayer-Hypo	326	+2
Bayer-Verein	340	+5.2
BHF-Bank	281	+2
BMW	380	−5.4
Brown Boveri	198	−0.7
Commerzbank	171.7	+8.1
Cont'l. Gummi	121.5	−0.5
Daimler-Benz	620	+1.5
Degussa	338	−1
D'sche Babcock	159.5	+2
Deutsche Bank	398.5	+2.5
Dresdner Bank	192	+0.8
GHH	161.5	−1
Hochtief	480	−5
Hoechst	126.1	+1.3
Hoesch Werke	29	+0.6
Holzmann (P)	393.8	+2.8
Horten	186.5	+0.5
Hussel	299	−3
Karstadt	240	−1.5
Kaufhof	224.5	−0.5
KHD	258	−0.2
Kloeckner	76.5	+0.6
Linde	393	−6.5
Lufthansa	194	−1
MAN	165	+4
Mannesmann	154.3	−0.2
Mercedes Hld.	545	−0.5
Metallgesell	215	−3
Munich Rueck	1262	+50
Nixdorf	626	+3
Porsche	1082	−5
Preussag	252.5	−1.5
Rhein West Elect	171.5	+2
Rosenthal	249	−1.5
Schering	454.9	−1.2
Siemens	423	+2
Thyssen	88.1	+2.3
Varta	176	....
Veba	172.2	−1.4
V.E.W.	123.5	−0.5
Verein-West.	306	+1
Volkswagen	203.7	−3.3

ITALY

Jan. 16	Price Lira	+ or −
Banca Com'le	17,600	−490
Bastogi-IRBS	175.0	−6.7
Centrale	2,502	+57
Credito Varesino	4,200	−61
Fiat	2,503	+22
Finsider	51	+1
Generali Assicur.	36,990	+90
Invest	2,925	....
Italcementi	78,000	+2000
La Rinascente	554	−11
Montedison	1,440	+47
Olivetti	6,165	+15
Pirelli Co.	5,655	−39
Pirelli Spa	2,080	+20
Snia BPD	2,325	−17
Toro Assic.	16,400	−346
do. Pref.	10,200	−540

NETHERLANDS

Jan. 16	Price Fls	+ or −
ACF Holding	197.5	+2.5
AEGON	160.3	−0.2
Ahold	203	−2.5
AKZO	100.6	−0.1
ABN	378.5	−1.5
AMEV	227.5	−1
AMRO	71.7	−0.7
Bredero Cert.	160	+1
Bos Kalis Westm.	13	+0.2
Buehrmann-Tet.	95	+3.5
Calland Hldgs.	32.6	+0.1
Dordtsche Pet'm	161.3	+0.3
Elsevier-NDU	121.5	+1
Fokker	94.9	+1.8
Gist Brocades	176	−1
Heineken	151	−0.2
Hoogovens	63.3	−0.3
Int Mueller	42.5	−0.5
KLM	49.1xc	−0.4
Naarden	49.4	−0.2
Nat Ned Cert	293.5	+4.5
Ned Mid Bank	159	+0.2
Nedlloyd	159.9	+3.4
Oce Grinten	295.5	+3
Ommeren (Van)	29.7	+0.3
Pakhoed	74	−1
Philips	67.1	....
Robeco	72.3	+0.1
Rodamco	136.9	....
Rolinco	68.4	+0.2
Rorento	43.6	....
Royal Dutch	179.1	+1.1
Unilever	327	−0.5
VMF Stork	146	+0.5
VNU	219.5	+4
West Utr Bank	109	−3

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Jan. 16	Price Kroner	+ or −
Bergens Bank	167.5	−1.5
Borregaard	370	−15
Christiania Bank	162.5	−3.5
DenNorske Cred	165	−2
Elkem	133	−3
Kvaerner	176	−0.5
Norsk Data	390	−2.5
Norsk Hydro	107.5	−1.5
Storebrand	237.5	−2.5

SPAIN

Jan. 16	Price Pta%	+ or −
Bco Bilbao	515	....
Bco Central	310	....
Bco Exterior	201	....
Bco Hispano	166	−1
Bco Popular	396	+4
Bco Santander	332	−1
Dragados	174	−2
Hidrola	87.2	−0.3
Iberduero	89.5	−1.5
Petroleos	163.2	−1.3
Telefonica	107.7	+0.7

SWEDEN

Jan. 16	Price Kroner	+ or −
AGA	370	+4
Alfa-Laval	203	+1
ASEA (Free)	350	−10
Astra (Free)	400	+5
Atlas Copco	111	+2
Cardo (Free)	225	−2
Cellulosa	133	+4
Electrolux B	262	+1
Ericsson	275	+2
Esselte	315	....
Mo Och Domsjo	285	....
Pharmacia	212	....
Saab Scania Free	456	....
Sandvik	390	+6
Skandia	269	....
Skan Enski'da	59.5	....
SKF	127	+1
St Kopparbergs	170	−1
Sven Handlesbn.	195	−5
Swedish Match	254	+9
Volvo B (Free)	251	+14

SWITZERLAND

Jan. 16	Price Frs.	+ or −
Alusuisse	785	+11
Bank Leu	3,800	....
Brown Boveri	1,500	+10
Ciba Geigy	2,615	+25
do. (Part Certs).	2,115	+18
Credit Suisse	9,380	+5
Elektrowatt	2,750	−10
Fischer (Geo.)	635	+5
Hoff-RochePtCts	90,250	....
Hoff-Roche 1/10	9,025	−25
Jacobs Suchard	6,490	−60
Jelmoli	1,990	−10
Landis & Gyr	1,665	....
Nestle	6,920	+30
Oer-Buehrle	1,340	+20
Pirelli	266	....
Sandoz (Br)	7,550	+50
Sandoz (PtCts)	1,220	+15
Schindler (PtCts)	680	+15
Sika	1,130	+10
Surveillance	4,145	+35
Swissair	1,105	+6
Swiss Bank	367	+5
Swiss Reinsce	9,300	+50
Swiss Volksbk	1,495	+5
Union Bank	3,695	+10
Winterthur	5,650	+20
Zurich Ins.	19,200	+150

AUSTRALIA

Jan. 16	Price Aust $.	+ or −
ANZ Group	5.16	....
Alliance Oil Dev.	1.06	....
Ampol Pet.	1.76	....
Ashton	0.78	−0.01
Aust Cons Ind.	1.97	−0.01
Aust. Guarantee	2.62	−0.01
Aust. Nat. Inds	2.42	....
Aust. Paper	2.52	....
Bell Group	4.85	−0.05
Bell Res.	4.4	−0.05
Bond Corp Hldgs	1.18	+0.01
Boral	3.25	....
Bougainville	1.66	−0.02
Brambles Inds.	3.7	....
Bridge Oil	2.25	....
B.H. Prop.	5.06	−0.04
CRA	4.9	−0.05
CSR	2.88	....
Carlton Utd.	4.30	....
Castlemaine Tys.	4.28	−0.07
Coles (G.J.)	3.98	+0.02
Comalco "A"	2.05	....
Consolidated Pet	0.47	....
Costain Aust	1.5	....
Dunlop Aust.	2.02	+0.02
Elders IXL	3.05xa	−0.01
Energ Res.	1.59	−0.03

AUSTRALIA (continued)

Jan. 16	Price Aust. $	+ or −
Gen Prop Trust	2.12	+0.01
Hardie (James)	3.02	−0.03
Hartogen Energy	2.25	....
Herald W'yTimes	3.75	....
ICI Aust.	2.08	....
Jimberlana F.P.	0.5	....
Kia Ora Gold	0.1	....
Lend Lease	5.4	+0.14
MIM	2.37	−0.01
Mayne Nickless	3.0	−0.02
Myer Emporium	1.8	+0.02
Nat. Aust. Bank	3.59	....
News	10.9	....
Nicholas Kiwi	5.12	....
North Bkn Hill.	2.05	+0.02
Oakbridge	0.68	....
Pancont'l	0.92	−0.01
Pioneer Conc.	1.7	....
Poseidon	2.75	....
Queensland Coal	1.11	....
Reckitt & Coln.	3.1	....
Repco	1.14	+0.01
Santos	6.22	−0.04
Smith (Howard)	3.55	+0.05
Thos. Natwide	1.85	....
Tooth	6.8	....
Vamgas	3.05	....
Western Mining	2.68	....
Westpac Bank.	3.41xc	+0.01
Woodside Petrol.	0.89	−0.01
Woolworths	2.9	+0.13
Wormald Intl.	3.3	+0.02

HONG KONG

Jan. 16	Price H.K.$	+ or −
Bank East Asia	25.3	+0.5
Cheung Kong	15.2	+0.9
China Light	15	+0.5
Evergo	1.45	....
Hang Seng Bank	47.75	+0.25
HK Electric	7.5	+0.8
HK Kowloon Wh.	5.85	+0.15
HK Land	4.4	+0.1
HK Shanghai Bk.	9.1	+0.1
HK Telephone	58.0	+1
Hutchison Wpa.	19.1	+0.2
Jardine Math.	9.4	+0.2
New World Dev.	6.4	+0.2
Orient O'seas	2.7	−0.05
Oseas Trust Bk	2.87	−0.02
SHK Props.	9.25	+0.15
Shell Elect.	2.05	....
Swire Pac A.	24.6	+0.8
TV—B	5.8	....
Wheel'k Mard A.	4.3	+0.1
Wheel'k M'time.	1.1	....
World Int. Hldgs.	1.98	+0.04

JAPAN

Jan. 16	Price Yen	+ or −
Ajinomoto	1,120	+10
Alps Electric	2,040	....
Amada	1,200	+30
Asahi Chem.	701	−14
Asahi Glass	928	+11
Bridgestone	545	+5
Canon	1,440	+40
Casio Comp.	1,970	+30
Chugai Pharm.	1,080	+20
Citizen	696	+17
Daiei	630	+4
Dai Nippon Ptg.	281	+1
Daiwa House	670	+4
Ebara	346	+16
Eisai	1,470	+30
Fanuc	11,130	+30
Fuji Bank	1,580	+20
Fuji Film	1,770	+70
Fujisawa	1,070	+20
Fujitsu	1,390	+30
Green Cross	1,680	−50
Hasegawa	365	−2
Heiwa Real Est.	669	+35
Hitachi	877	+7
Hitachi Credit	1,160	+10
Honda	1,320	+40
House Food	720	....
Hoya	2,160	+10
Itoh (C)	356	−9
Ito. Yokado	2,910	+30
Iwatsu	1,480	+30
JACCS	386	+1
JAL	5,600	+250
Jusco	741	+5
Kajima	280	−1
Kao Soap	858	+6
Kashiyama	619	+1
Kirin	670	−2
Kokuyo	965	−5
Komatsu	475	−4
Konishiroku	698	−11
Kubota	342	−3
Kumagai	635	+11
Kyoto Ceramic	6,930	+80
Maeda Const.	478	−2
Makino Milling	1,250	+20
Makita	1,080	+40
Marubeni	315	−6
Marudai	565	−5
Marui	1,100	+20
MEI	1,600	+30
M'ta Elec Works.	633	+2
M'bishi Bank	1,380	+10
M'bishi	658	−9
M'bishi Elec	409	+2
M'bishi Estate	686	....

JAPAN (continued)

Jan. 16	Price Yen	+ or −
MHI	257	+4
Mitsui Co.	344	−6
Mitsui Estate	707	−3
Mitsukoshi	385	−4
NGK Insulators	564	+15
Nihon Cement	227	−10
Nippon Denso	1,630	−10
Nippon Elect	1,250	+30
Nippon Express	544	−1
Nippon Gakki	1,670	−200
Nippon Kokan	138	−1
Nippon Oil	856	+1
Nippon Seiko	693	−26
Nippon Shimpan	593	−15
Nippon Steel	155	....
Nippon Suisan	342	−2
NTV	13,400	+400
Nippon Yusen	254	−5
Nissan Motor	613	+13
Nisshin Flour	480	+5
Nisshin Steel	173	−1
Nomura	955	+6
Olympus	1,210	−20
Orient Leasing	3,400	+100
Pioneer	3,020	+110
Renown	645	+11
Ricoh	975	+7
Sankyo	981	+9
Sanyo Elect.	486	+1
Sapporo	410	−1
Sekisui Prefab	575	−19
Seven-Eleven	2,000	−100
Sharp	1,130	+50
Shimadzu	228	+7
Shionogi	688	−2
Shiseido	1,130	....
Sony	3,880	−90
Stanley	255	+85
S'tomo Bank	1,770	−20
S'tomo Elect.	257	+15
S'tomo Marine	650	−12
S'tomo Metal	152	−1
Taihei Dengyo	429	−2
Taisei Corp	200	....
Taisho Pharm.	1,010	−20
Takeda	769	−10
TDK	5,330	−100
Teijin	464	+1
Teikoku	667	−18
Tokyo Marine	759	−6
TBS	250	−12
Tokyo Elect Pwr	1,670	....
Tokyo Gas	172	−7
Tokyo Sanyo	735	+1
Tokyo Style	722	....
Tokyu Corp.	520	+3
Toppan Print	900	+19
Toray	452	....
Toshiba Elect.	428	+3
TOTO	711	−19
Toyo Seikan	240	+10
Toyota Motor	1,270	+10
Victor	2,150	+80
Wacoal	740	+6
Yamaha	700	+7
Yamanouchi	2,560	−90
Yamazaki	639	+19
Yasuda Fire	310	+5
Yokogawa Bdge.	445	+1

SINGAPORE

Jan. 16	Price $	+ or −
Boustead Hldgs.	1.5	−0.01
Cold Storage	2.49	−0.03
DBS	6.2xe	+0.05
Genting	4.74	....
Haw Par. Bros.	1.9	−0.04
Hong Leong Fin.	2.9	−0.01
Inchcape Bhd.	2.44	−0.01
Keppel Shipyard	1.41	−0.03
Malay Banking	5.35	−0.05
Malay Utd. Ind.	2.27	+0.02
Multi Purpose	0.9	....
OCBC	9.6	−0.16
OUB	3.72	−0.02
Public Bank	1.52	−0.02
Sime Darby	1.85	−0.02
Singapore Press.	5.95	−0.05
Straits Trdg.	4.22	−0.08
Tat Lee Bk.	2.75	−0.02
UOB	4.12	−0.02

SOUTH AFRICA

Jan. 16	Price Rand	+ or −
Abercom	1.15	....
AE&CI	7.55	....
Anglo Am Coal	41.25	+0.25
Anglo Am Corp.	25	−0.25
Anglo Am Gold	183.5	−1
Barclays Bank	15.25	....
Barlow Rand	10.5	+0.05
Buffels	74.25	+0.25
CNA Gallo	1.9	−0.1
Currie Finance	4.15	....
De Beers	9.77	−0.05
Driefontein	54	−0.5
FS Geduld	50.5	....
Gold Fields SA	29.5	+0.5
Highveld Steel	3.95	−0.05
Nedbank	10.9	−0.2
OK Bazaars	14	....
Protea Hldgs	1.35	−0.05
Rembrandt	30.5	....
Rennies	12.99	....
Rust Plat	16.6	−0.25
Sage Hldgs	6.75	−0.15
SA Brews	6.55	....
Smith (CG)	21.75	....
Tongaat Hulett	8.3	....
Unisec	4.45	−0.05

CANADA

TORONTO

Closing prices January 16

MONTREAL

Closing prices January 16

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued on Page 46

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Tr 12 87	£110¾	+£¾
Ex 13¼ 94	£112¾	+£¾
Allied-Lyons	169	+6
BOC	287	+14
Babcock Intl	158	+8
Bett Bros	57	+7
Britannia Arrow	105	+6
British Telecom	135	+5½
Davy Corp	94	+7
Fisons	285	+15
Garnar Booth	198	+16
Goring Kerr	480	+35
Guinness Peat	72	+8
ICI	778	+18
Imperial Group	202	+9
L. How.-Spink	283	+25
MEPC	316	+12
Pearson	638	+20
P & O Defd	398	+20
RHP	97	+7
Scapa	494	+28
Shell Transport	683	+13
Smith & Nephew	220	+12
Stakis	186	+10
TACE	385	+38
Tate & Lyle	492	+10
Time Products	31¼	+3½
RTZ	603	+15

FALLS

Brown (Matt.)	273	−12
Martin (RP)	340	−45

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 37

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LONDON STOCK EXCHANGE

MARKET REPORT

Equities in full cry of 1,000 with index 19.5 up and just short of record level

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
Dec 24	Jan 10	Jan 11	Jan 21
Jan 14	Jan 24	Jan 25	Feb 4
Jan 28	Feb 7	Feb 8	Feb 18

* "New-time" dealings may take place from 9.30 am two business days earlier.

An optimistic London equity market was in full cry yesterday of the psychological 1,000 mark. The FT Ordinary share index *stopped short of the figure but* still showed a sharp closing rise of 19.5, at 981.3, thus regaining *in just two sessions* the 33-point reversal sustained by the recent sharp rise in UK interest rates. Institutional activity was again responsible for restoring confidence recently dented by the sudden increase in bank borrowing charges which, it is hoped, will stop the run on sterling.

The pound stayed on an even keel yesterday and this, coupled *with continued stability in* money markets, prompted the institutions to invest. They *bought a range of better-class* industrial stocks and the demand yet again caught many dealers *holding* short book positions. Smaller investors were motivated a while later with the result that the combined buying orders impinged on a market inadequately supplied with stock.

Within an hour of the opening, most leading shares were *higher and amid a good turnover* progressively increased their gains. The accent was on groups known to have overseas earnings potential with ICI, for example, jumping 18 to a record 776p ahead of the preliminary statement due on February 28. British Telecom continued to perform exceptionally well and settled 5½ up at a best-ever 125p.

Gilt-edged investors were quietly impressed with sterling's more stable trend, which allayed immediate fears of any further upward adjustment in clearing base lending rates. The authorities were able to sell the long tap, Exchequer 10½ per cent 2005, in first-time dealings, accepting a bid of 40½ for supplies of the £40-paid stock and withdrawing.

Business in the stock was considerable, with switching operations, not all of which could be effected, accounting for a large part of the turnover. The tap settled at 40$\frac{9}{16}$.

Longer-dated Gilts suffered as funds were raised for re-investment and surrendered early gains of ¼ or so to close a net ⅛ down on the day. Medium life stocks, on the other hand, maintained their firmness and showed rises extending to ¼. The shorts also made headway to close with gains ranging to ⅛, while selected index-linked issues managed recoveries of ⅛.

Merchant banks moved forward strongly. Takeover speculation again provided the impetus with buyers often finding stock in short supply. Guinness Peat were especially popular at 72p, up 8, while Hill Samuel gained 13 to 353p and Kleinwort Benson 15 to 455p. The *major* clearing banks regained confidence but the volume of business left *a lot to be desired*. Recently depressed Midland recovered 2 to 342p, while Barclays regained 10 to 582p and NatWest added 7 at 600p. Hire Purchases made progress with First National Finance Corporation closing a couple of pence dearer at 80p on revived speculative demand. Southern Business Leasing rose 5 to 130p in response to the preliminary results.

Lloyds Brokers led the way in a firm Insurance *sector*. Consideration of their substantial dollar earnings potential *coupled with fresh bid speculation* induced another good demand which left C. E. Heath *12 higher at 605p*, Sedgwick 9 up at 365p. Hogg Robinson, in which the Kuwait Investment Office and Mills and Allen International both hold stakes, moved up 7 more for a two-day gain of 15 to 257p. Among Composites, General Accident rallied late to close 11 higher at 536p, after 523p, following the announcement that the group is to extend its life and pensions business in the UK by entering the unit linked market. Elsewhere, Allianz were quoted ex-the-rights issue at £289, up 21½ points.

Another lively business developed among leading Breweries. Once again, Bass led the way *with a rise of 15 to 505p*. Comment on the company's foray into the American commercial paper market *stimulated* renewed demand for Allied-Lyons, 6 up for a two-day advance of 16 at 169p. Matthew Brown slumped to 258p in the early business on reflection of Whitbread Investments' disclosable stake which could well hinder likely bidders; strong support was evident at this level, however, and Brown finally closed *only* 12 lower on balance at 273p. Dorset-based Eldridge Pope spurted 25 to 203p following the bullish tenor of the chairman's annual statement.

Leading Buildings continued to trade cautiously, but most closed with modest improvements. Rugby Portland Cement, however, a firm counter on Tuesday on speculation about the possible sale of its Australian interests, ran back 4 to 135p in the absence of any developments. Elsewhere, Bett Brothers rose 7 to 57p following better-than-expected annual results, while *Federated Housing* gained the same amount to 49p in response to Press comment.

ICI attracted steady institutional demand and the close was a net 18 up at a 1984-85 peak of 776p; the annual results are due on February 28. Laporte rose 10 to 405p, while Croda International, 136p, and Anchor Chemical, 202p, both firmed 5. Elsewhere, Amersham International rose 8 to 359p on overseas earnings considerations.

Dixons wanted

The cautious outlook expressed in the latest FT/CBI survey of distributive trades *failed* to unsettle *leading* Retailers. Gains of 7 were common to Gussies "A," 697p, and Burton, 451p, the latter still benefiting from the chairman's cheerful statement at Tuesday's annual meeting. Dixons, nervous of late, encountered strong support and advanced 20 to 542p in front of today's half-timer; Currys closed 10 up at 600p. Elsewhere in second-line Stores, a number of smaller-priced counters made progress. Chart "buy" *signals* stimulated interest in both Time Products, 31½p, up 3½, and Sellincourt, 18½p, up 1½. *Ellis and Goldstein*, 80p, and Martin Ford, 28p, rose 5 and 3 respectively: Body Shop were again wanted following the better-than-forecast preliminary results and put on 25 more at 490p.

Shoe and Leather issues attracted selective support under the lead of Garnar Booth, 16 up at 198p, after 203p. Stylo closed 10 *to* the good at 155p.

The Electrical leaders revived strongly. Institutional demand pushed *quotations higher from* the outset and closing levels were usually the best of the day. British Telecom advanced 5½ to a new peak of 125p, and BICC gained 10 to 263p, while talk of an imminent U.S. deal lifted Cables and Wireless 15 to 502p. Standard Telephones and Cables put on 8 to 280p. Elsewhere, Kode International rose 12 to 200p.

Engineers enjoyed a relatively brisk trade, although the notable movements were confined to secondary issues. Demand persisted for Babcock International, which put on 6 more to 158p, while Davy Corporation were good again at 94p, up 7, awaiting today's interim statement. IMI, 102½p, and Delta, 114½p, gained 5 and 4 respectively. Tace, 385p, and Goring Kerr, 480p, featured with gains of 38 and 35 respectively following their respective preliminary statements. Other bright spots included Baker Perkins, 11 dearer at 183p, and Staveley, 10 higher at 310p. In contrast, W. G. Allen dipped 11 to 26p on termination of bid discussions.

Among Foods, bid candidate Rowntree Mackintosh closed 5 higher at 370p, after 360p, following reports that about 5m shares had been placed with institutions at 355p per share. Tate and Lyle continued to attract buyers on hopes of a bid from Dalgety and the close was 10 up at 492p. Elsewhere, *further* speculative buying lifted Associated Fisheries 4 to 100p, while *Iceland Frozen Foods* rose 13 to 418p in a market short of stock.

Trusthouse Forte's annual profits failed to match best estimates and the close was a couple of pence cheaper at 156p, after 155p. Grand Metropolitan, however, revived strongly and rose 8 to 300p. Elsewhere, Stakis attracted further speculative buying and put on 10 to 186p.

Institutional demand was forthcoming for selected miscellaneous industrial leaders with the emphasis on companies with overseas earnings potential. BOC led the *advance* with a gain of 14 to 287p helped by favourable reports emanating from a meeting with analysts. BTR also featured with a gain of 17 at 612p, while Glaxo moved up ½ to £11⅝ accompanied by talk of the success of its Zantac drug in the Far East. Trafalgar House rose 8 to 364p following the annual meeting. Elsewhere, Fisons responded smartly to revived demand and put on 15 to 285p, while persistent buying lifted Smith and Nephew 12 to 220p. Dealings resumed in British Aerospace following details of the Government's proposed share sale and the company's decision to issue new shares at the same time; *from* a sharply lower opening level of around 335p, BAe encountered buyers and picked up to close at 357p compared with the suspension price of 367p. Press mention *stimulated* further demand for S. Pearson which advanced 20 more to *638p, while Scapa Group* were again favoured and put on 28 to 494p. Speculative favourite, Evode revived 8 to 118p and Associated British Ports 6 further to 214p, while Dobson Park rose 5 to 88p. Expamet, enlivened by the proposed acquisition of APT Controls, rose 6 to 98p. Speculative demand left Wolverhampton Steam Laundry 5 higher at 38p, but LCP, the subject of persistent bid rumours recently, ran back 3 to 116p.

Among Leisure issues, sudden speculative demand in a restricted *market* lifted *Pavilion* Leisure 8 to 28p. USM-quoted Television Services rose 14 to 200p, while Horizon Travel firmed 8 to 128p following newsletter comment.

Lucas responded afresh to U.S. takeover hopes and rose 4 for a two-day gain of 15 to 261p. Elsewhere in Motors, Jaguar touched 280p before closing 4 up on balance at 279p. Distributors highlighted Lex Service which advanced 20 to 310p.

Fleet Holdings traded briskly again and touched 233p before settling a net 4 to the good at 228p, while United Newspapers, which acquired Pergamon's 15.76 per cent stake in Fleet on Tuesday, hardened 3 to 308p. Lowe Howard-Spink, the advertising agents, improved 25 to 283p following the appointment of Mr Tim Bell as chief executive.

Properties took a distinct turn for the better following a Press report suggesting that City office rents are set to rise because of a shortage of space. MEPC led the sector higher, rising 12 to 316p, while Land Securities firmed 8 to 300p. Five Oaks firmed 1½ to 31p on talk that a sizeable stake had changed hands.

The proposed merger continued to stimulate demand for both P & O Deferred and Sterling Guarantee Trust; the former advanced to 405p before closing 20 dearer on balance at 398p, while SGT rose 4 to 75p.

In firm Textiles, Courtaulds attracted "call" option business and rose 4 more to 149p. Bid hopes prompted rises of 4 in Carpets International, 41p, and Lister, 54p.

Tobaccos featured renewed *support of Imps which rose 9* to 202p on the prospect of news concerning the future of its *Howard Johnson* operation.

Investment Trusts mirrored the strong tone in equities and displayed useful gains across the board. Alliance Trust closed 15 up at 600p. Initially firm at 390p, R. P. Martin slumped to 323p following news that the bid discussions had been aborted, but rallied slightly to settle a net 45 lower at 340p. Takeover talk again surrounded Britannia Arrow, which firmed 8 more to 105p; Hongkong and Shanghai Banking was again *suggested as* a possible suitor. Speculative interest was also shown for Yule Catto, 17 better at 222p.

Lasmo up again

Dealers reported widespread demand for leading and secondary *oils* following the latest rise in oil prices. LASMO remained a strong market and advanced 10 more to 355p, after 358p on continuing talk of a commercial oil discovery off the coast of Sicily. Shell put on a further 13 to 683p—a two-day gain of 30—and BP 3 to 483p.

Among the second-line issues Premier Consolidated Oilfields were lowered *to 43p prior* to closing 2 cheaper at 44p following the proposed £16.3m rights issue.

A virtually static performance by the bullion price and a steady showing by the South African Rand rate resulted in a further reduction in activity in the traditionally active sectors of mining markets—South African Golds and Australians—but led to a revival of interest in the London-registered Financials.

The latter benefited from the strong performance of domestic equities, the recent sharp fall in sterling and the continuing strength of a number of base-metals, especially copper which has moved ahead to near five-year highs on the London Metal Exchange.

Rio Tinto-Zinc were the day's best performer, the shares advancing 15 to 603p aided by rumours that a number of leading brokers have uprated their profit forecasts for the company.

Golds did little more than mark time, despite further sharp increases in quarterly profits announced by the mines in the Anglovaal and "Johnnies" groups.

Activity in Traded Options increased with 12,204 contracts transacted. *British Telecom* remained to the fore with 1,861 calls struck, the February and *May 120's* accounting for 444 and 512 trades respectively. BT also attracted 228 puts. Courtaulds were again wanted and recorded 1,226 calls, while Imperial Group and Commercial Union attracted 722 and 954 calls respectively.

FINANCIAL TIMES STOCK INDICES

	Jan. 16	Jan. 16	Jan. 14	Jan. 11	Jan. 10	Jan. 9	year ago
Government Secs.	80.17	79.97	79.91	80.95	81.55	81.85	83.93
Fixed Interest	84.03	83.60	84.12	85.17	85.35	85.32	87.87
Ordinary	981.3	951.8	949.3	968.3	922.4	983.1	881.2
Gold Mines	460.4	460.1	465.8	474.9	462.7	451.5	585.8
Ord. Div. Yield	4.41	4.50	4.53	4.47	4.43	4.41	4.34
Earnings, Yld.% (full)	11.11	11.36	11.50	11.32	11.25	11.21	8.06
P/E Ratio (net) (*)	10.81	10.58	10.48	†10.59	10.58	10.71	13.49
Total bargains (Est.)	29,152	29,573	32,775	34,575	39,056	28,155	97,774
Equity turnover £m.	—	435.50	515.41	658.95	605.57	645.10	326.95
Equity bargains	—	23,964	29,685	39,982	35,438	28,331	24,403
Shares traded (ml)	—	219.6	255.5	300.0	331.3	508.2	204.6

10 am 969.0. 11 am 971.2 Noon 973.9. 1 pm 974.3.

2 pm 975.9. 3 pm 976.8.

Basis 100 Govt Secs. 15/1/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil = 10.45

† Corrected.

HIGHS AND LOWS / S.E. ACTIVITY

—	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low		Jan. 15	Jan. 14
					Daily		
					Gilt Edged		
Govt. Sec.	83.77 (9/1/84)	75.78 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)	Bargains	187.4	165.7
					Equities		
					Bargains	155.3	191.9
Fixed Int.	87.48 (14/5/84)	80.43 (30/7/84)	150.4 (28/11/47)	50.53 (3/1/75)	Value	982.6	1041.9
					5-day Average		
					Gilt Edged		
Ordinary	983.1 (9/1/85)	763.3 (23/7/84)	983.1 (8/1/85)	49.4 (26/6/40)	Bargains	166.8	165.4
					Equities		
Gold Mines	711.7 (9/3/84)	448.3 (7/1/85)	734.7 (15/2/83)	43.5 (26/10/71)	Bargains	199.1	194.5
					Value	1116.4	1148.6

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 7	Jan 18	Apr 11	Apr 22
Jan 21	Feb 1	Apr 25	May 7
Feb 4	Feb 15	May 9	May 20

For rate indications see end of Share Information Service

Options remained in demand with *calls* transacted *in Atlantic* Resources, North Kalgurli, Commercial Union, Combined Technologies, *United Biscuits* Warrants, Pentos, Davy Corporation, Bristol Oil and Minerals, Midland Bank, Ryan *Hotels*, Courtaulds, Premier Oil, Normans, Ladbroke, Hanson Trust, Pilkington, RHM, Spong, DJ Security Alarms, British Telecom, ICL, I. and J. Hyman, Yorkshire Chemicals, Amstrad Consumer Electronics, Aran Energy, Fergabrook, United Scientific, Mnemos, Riley Leisure, Norfolk Capital and Smurfit Clothes. A put was done in Bats, while doubles were taken out in Davy Corporation and Commercial Union.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	70	10	25
Corpns, Dom. & Foreign Bonds	26	11	36
Industrials	518	136	790
Financial & Props.	255	30	259
Oils	29	19	76
Plantations	3	3	11
Mines	32	47	99
Others	76	56	73
Totals	1,009	312	1,369

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
‡10	F.P.	—	13½	12	✠Bennett&Fount'n10p	13½	+½	bg0.42	1.8	4.4	15.3
§160	F.P.	16/1	225	178	Canpover Inv.	209	+4	H1.4	—	1.0	—
‖‖	F.P.	—	97	88	GBC Capital	97	+1	Q2.4	—	1.6	—
‖‖	F.P.	—	23	21	Do. Warrants	23	+1	—	—	—	—
**	F.P.	—	89	81	Hawley Group $0.01	87	+2	1.86	3.2	9.1	14.8
**	F.P.	1/2	26	21	Jap.AssetsTstWar'nts	£1½	+½	—	—	—	—
§68	F.P.	1/2	57	54	Kingsley&Forester20p	54	−½	bg3.04	1.9	8.0	8.5
§85	F.P.	6/2	67	53	✠OptometricsU.S.A.	67	+5	Q2c	—	3.0	—
§130	F.P.	25/1	160	150	✠Penny & Giles Intl	152	...	bg1.82	2.6	1.7	19.6
e2	F.P.	24/1	95	88	ProcessSystems$0.025	90	+2	Q0.25c	8.2	0.2	—
122	F.P.	11/1	212	168	Wardle Storeys 10p	212	+2	u6.0	2.7	3.4	13.0
20	F.P.	31/1	93½	80½	Williams (Rex) Leis.5p	21	...	u0.91	1.4	6.9	14.6

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price	+ or −
91.574	£50	10/4	34¼	29⅞	African Dev. Bank 11⅛% Ln. 2010	60½	+½
;100	F.P.	11/1	102½	100	Comm Bk of Wales 13¼% SubUnn Ln 96-97	101⅛	+⅛
‖	Nil	96/2	15pm	8pm	F. & C. Eurotrust 6¼% Cnv. Ln. '96	15pm	.....
†100	F.P.	99/2	115pm	112pm	FII 7.7% Cnv. Cum. Red. Prf. £1	112pm	...
:101	£51	16/2	54	50	Felixstowe Dock Prf. Units 1	50	−2
**	F.P.	1/3	92	91	Grovebell 7.5% Cnv. Red. Cum. Pref.	91	...
85.91	£30	19/5	30⅛	27½	Int.-Am. Dev. Bk. 9¾ Ln. 2015	22⅝	+⅞
99.161	F.P.	17/1	104⅛	97¾	Intl. Bk. for Recon. & Dev. 11¼% Ln. 2005	88½	...
‖	F.P.	1/2	109	103	Jap. Assets Tst. 4½% Uns. Cnv. Ln. 1994	104	...
‖	F.P.	1/9	140p	150p	Johnson Matthey 8% Cnv. Cum. Prf.	138p	+8
‖	F.O.	19/1	92	90	Lifecare Intl. 8½% Cv. Cum. Red. Prf. 1989	80	−5
:99.199	£25	15/5	99⅞	24½	Lon. Shop Prop. 11½% 1st Mort. Deb. 2016	26¼	+¼
—	F.P.	—	100⅛	98⅛	Nationwide Bldg. Soc. 10¾% Bds. 9/12/85	99⅛	+⅛
—	F.P.	—	100⅛	98⅝	Do. 10⅝% 13/12/85	99⅝	+⅜
**	F.P.	—	60p	58p	Simon Engn. 4½% Cm. Rd. Prf. '84-96	58p	.....
ne	F.O.	—	64p	53p	Do. 5.4% Cm. Rd. Prf.	64p	.....
**	F.P.	—	76p	76p	Do. 6.35% Cm. Rd. Prf. '91-96	76p	.....
ne	F.P.	—	88p	86p	Do. 7.75% Cm. Pd. Prf. '92-97	88p	.....
1,976	£20	27/5	24⅛	18½	Sweden 11% Ln. 2012	21⅛	+⅜
ne	F.P.	—	122p	118p	✠Tech. for Bus. 7% Cum. Cv. Rd. Pf.	117p	−5
**	F.P.	9/1	156	125	Tomkins (F. H.) 9¼% Cnv. Ln. '94	162	+4

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. Date	1984/85 High	1984/85 Low	Stock	Closing price	+ or −
64	F.O.	9/2	73	59	Bairstow Eves 5p	72	...
60	Nil	15/9	62pm	45pm	Burgess Prods	54pm	...
485	Nil	9/2	160pm	155pm	Carlton Comms.	155pm	...
85	F.P.	[illegible]	[illegible]	[illegible]	Castle Milling	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment letters or fully-paid. ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. T Figures assumed. †† Official London Listing. ‡‡ Deals in under Rule 535(3). t Comprising 100 Prf. and one Ptg. share.

NEW HIGHS AND LOWS FOR 1984/85

NEW HIGHS (223)

FOREIGN BONDS (1)
AMERICANS (31)
CANADIANS (2)
BANKS (4)
BUILDINGS (2)
CHEMICALS (6)
STORES (3)
ELECTRICALS (6)
ENGINEERING (12)
FOODS (6)
HOTELS (2)
INDUSTRIALS (20)
INSURANCE (9)
LEISURE (2)
MOTORS (4)
NEWSPAPERS (4)
PAPER (4)
PROPERTY (7)
SHIPPING (2)
SHOES (1)
TEXTILES (3)
TOBACCOS (1)
TRUSTS (81)
OILS (3)
OVERSEAS TRADERS (3)
PLANTATIONS (2)
MINES (2)

NEW LOWS (14)

STORES (1)
Gabicci
ELECTRICALS (2)
Memory Computer Real Time Control
ENGINEERING (1)
Ash & Lacy
PAPER (1)
Hoggett Bowers
SHIPPING (1)
Turnbull Scott
SOUTH AFRICANS (3)
Barlow Rand S. A. Brews.
PK Bazaars
OILS (1)
Carless Capel
OVERSEAS TRADERS (1)
Boustead
MINES (3)
ERGO Pahang Cons.
Stilfontein

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Assoc. Brit. Ports	214	+6
Beecham	375	+5
British Aerospace	357	−10
Brown (Matthew)	273	−12
Comm. Union	203	+3
Hanson Trust	331	+3
Jaguar	279	+4
MEPC	319	+12
Martin (R. P.)	340	−45
P & O Deferred	398	+20
Scapa	494	+28
Smith and Nephew	220	+12

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Rugby P. Cmnt.	23	139	+12
Assoc. News.	17	588	+60
Fleet Hldgs.	15	224	+14
LCP	14	119	+7
Shell Trans.	14	670	+17
Tate & Lyle	14	482	+12
Thorn EMI	14	430	—
BTR	13	595	+5
Bennett F'lain	13	13	+0½
Cable & Wire.	13	487	+3
Comm. Union	13	200	+6
Guinness (A.)	13	233	+4
Glaxo	12	£11⅛	—
P & O Deld.	12	378	−2

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Jan 16 1985 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Jan 15 Index No.	Mon Jan 14 Index No.	Fri Jan 11 Index No.	Thur Jan 10 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (207)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Wed Jan 16	Day's change %	Tues Jan 15	xd adj. today	xd adj. 1985 to date
British Government					
1 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 5-15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 All stocks	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Debentures & Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 Preference	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8 All stocks	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS: [illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$300	—	—	2	17.50	12	88	$302.90
GOLD C	$300	—	—	—	—	13	16 A	"
GOLD C	$325	6	2	6	7.60 B	—	—	"
GOLD C	$350	—	—	8	9.80 B	—	—	"
GOLD C	$375	8	0.20	—	—	—	—	"
GOLD C	$380	—	—	—	—	2	3.60	"
GOLD P	$280	78	9.50	10	5.50	—	—	"

TOTAL VOLUME IN CONTRACTS: 37,948

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls Jly.	Puts Jan.	Puts Apr.	Puts Jly.
B.P. (*485)	390	85	105	—	1	8	—
	420	65	75	—	1	4	—
	460	50	40	60	3	19	18
	500	5	20	58	25	50	49
	550	[illegible]	[illegible]	—	70	78	—

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
Imperial Gp. (*199)	160	41	49	47	1½	3	4
	180	21	26	31	3	6	9
	200	9	16	26	8	11	16
LASMO (*359)	280	89	—	—	1	—	—
	300	66	79	80	4	6	19

Jan. 14. Total contracts: 12,204. Calls 10,058. Puts 2,146.
* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984-85 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
105¼	100⅛	Treas. 15pc 1985	100¼xd	.....	14.96	12.52
102¾	99 15/16	Exch. 12pc Cm. '85	99 15/16	..	12.01	12.22
97¼	93 5/16	Treas 3pc 1985	97¼	+¼	3.08	11.42
102⅝	99½	Treas 11½pc 1985	100⅛	+1/16	11.49	11.33
99⅝	96 5/16	Treas 8¾pcCnv '85	98 3/16	+3/16	0.90	11.53
104 1/16	99⅝	Exch. 12¼pc 1985	100½	+1/16	12.19	11.53
103 11/32	99 1/16	Exch. 11¾pc '86	100 1/16	+3/32	11.74	11.64
102 1/16	96 1/16	Treas. 10pcCnv 1986	98¼	+⅛	10.18	11.50
93¼	88¼	Treas 3pc 1986	93	+¼	3.23	8.65
102	96¾	Exch. 10½pc Cv '86	98 13/16	+1/16	10.61	11.36
104 3/16	99 1/16	Treas 12pc 1986	100 13/16	+3/16	11.90	11.33
98¾	93½	Treas 8½pc 1984-86‡‡	96½	+⅛	8.81	11.16
108 11/16	102 5/16	Exch. 14pc 1986	104 3/16	+3/16	15.45	11.36
89 11/16	85	Exch. 2½pc 1986	88⅞	+¼	2.81	9.18
107 11/32	100 13/16	Exch. 13¼pc 1987	103¾xd	+¼	12.83	11.40
100⅝	94½	Treas 10¼pcCv '87	98¼xd	+¼	10.43	11.24
87¼	83¼	Exch 2½pc 1987	85⅞	+¼	2.91	10.10
101 3/16	94½	Exch. 10½pc 1987	98 1/16	+¼	10.69	11.41
92¾	87	Funding 6½pc '85-87‡‡	90⅝	+¼	7.17	11.25
99⅝	92⅞	Treas. 10pc 1987	97 1/16	+¼	10.30	11.41
86⅝	81 5/16	Treas 3pc 1987	84¼	+¼	3.54	10.09
105	97¼	Treas. 12pc 1987	101¼	+¼	11.85	11.44
94⅞	87 5/16	Treas 7¾pc 1985-88‡‡	91⅝xd	+¼	8.46	11.09
100¼	92 11/16	Exch 10½pc '88	97¼	+¼	10.80	11.51
98 3/16	89 13/16	Treas 9¾pc Cv '88	95⅜	+1/16	10.22	11.41
82 3/16	77	Transport 3pc '78-88	81¼	+¼	3.69	9.50
96 13/16	88 3/16	Treas. 9½pc '88	93⅜	+¼	10.18	11.70
106¼	94 13/16	Treas 11½pc 1989	99 11/16xd	+3/16	11.54	11.62
96 11/16	87 11/16	Treas 9½pc Cnv. '89	93⅜	+¼	10.17	11.49
99⅝	90 13/16	Treas 10½pc 1989	96½	+3/16	[illegible]	11.53
100 1/16	88⅞	Exch 10pc 1989	94 3/16xd	+¼	[illegible]	11.60
101 1/16	94¼	Exch 11pc 1989	97 11/16	+3/16	[illegible]	11.61
85¼	77½	Treas 5pc 1986-89	80½	+¼	[illegible]	10.28
114¼	100⅛	Treas 13pc 1990‡‡	105¾	+¼	[illegible]	11.47

Five to Fifteen Years

1984-85 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
[illegible]	100¼	Exch. 12½pc 1990	107	+¼	12.14	11.70
[illegible]	84⅞	Treas 8¼pc 1987-90‡‡	89⅝	+¼	9.28	11.03
[illegible]	90⅝	Treas. 10pcCv 1990	95¼	+⅛	10.76	11.70
[illegible]	94¼	Treas 11¾pc 1991	100⅝	+¼	11.73	11.71
84⅝	75⅝	Funding 5¾pc '87-91‡‡	81⅝	+¼	7.19	10.16

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COM'WEALTH & AFRICAN LNS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

1984-85 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
64	43	Magnolia Group	48	.....	2.5	3.2	7.4	4.7
64	28	♣Maintenec Hldgs 10p	33	.....	—	—	—	—
270	157	Man. Ship Can. £1	255	.....	5.5	3.5	3.1	13.1
104	65	Marley	104	+3	†3.2	2.5	4.4	11.7
61	40	Marling Ind. 10p	55	+½	†d3.0	5.6	9.5	6.2
46	29	Marshall L'ey. 'A'	38	.....	†1.2	3.6	4.5	(6.8)
66	37	Marshall's Universal	64	–1	H1.75	—	3.9	19.2
89	77	Do. 7½pcCnRedPf £1	83	.....	7½%	—	12.9	—
30	20	Martin-Black	22#	.....	—	—	—	—
£108	£83	♥Mathesons 7¾%	£83	.....	Q7¾%	2.3	F9.4	—
408	287	Metal Box £1	382	.....	†15.0	3.2	5.6	6.2
220	129	Metal Closures	138	+2	6.3	2.3	6.3	(7.6)
27	12	♣Metal Sciences 2½p	12	.....	—	—	—	—
133	83	♣Midland Marts	90	.....	4.0	1.8	6.3	11.4
81	45	Mitchell Cotts	83	+1	4.0	1.3	7.1	11.5
196	132	Morgan Crucible	195	+1	†7.5	1.2	5.5	(19.7)
*36	24	♣Morris (W) F.A. 20p	24½	+½	bg0.5	4.0	2.9	23.3
110	80	Moss (Robt.) 10p	104	+1	♦‡2.5	2.3	3.4	15.0
330	197	♣MMW Computers	278	.....	6.0	3.0	3.1	15.5
65	38	Nash Inds.	40xd	.....	2.5	♦	8.9	♦
47	30	Neill & Spencer 10p	42	+1	—	—	—	18.1
33	13	Newman Industries	18	–1	—	—	—	(10.0)
31	16½	Do. 10pc Cn.Cnv.Pf.	20	.....	10%	—	7.1	—
67	59	Nolton	65	.....	p1.1	4.5	3.5	7.6
183	132	Norcros	169	+2	†7.5	2.4	6.3	8.9
86	55	Nu-Swift 5p	64	.....	†2.4	5.2	5.4	8.3
100	50	Oakwood Grp.	68	.....	‡d6.5	—	‡	—
190	135	Office & Elect	253	.....	7.5	4.2	7.0	7.0
108	92	Oldacre 20p	105	.....	p4.0	2.6	5.4	9.3
875	650	Oriflame Intl SA	650	.....	†Q55c	2.2	6.8	6.7
46	15	Overstone 12½c	15	.....	‡Q4.5c	2.2	‡	3.5
£167	£120	Ozalid 9pc Cnv 87-92	£166	.....	Q9%	—	F5.5	—
190	110	♣PCT Grp 10p	110	.....	p4.8	2.9	6.1	6.7

LEISURE—Continued

1984-85 High	Low	Stock	Price	+ or –	Div Net	C'vr
*35	8	♣Intervsn Video 10p	16	.....	Bg1.0	1.9
218	125	Juliana's Hldgs 2p	218	.....	†h1.75	2.6
288	182	LWT "A"	268	.....	14.4	2.3
75	42	Leisuretime Int 10p	62	–1	†1.8	1.3
		For MME Facilities see Capital TV Facilities				
160	98	Magmt. Ag. M. 10p	148xd	.....	8.75	♦
179	118	♣Media Tech Int 20p	162	.....	ng2.58	3.9
137	76	Medminster 10p	124	.....	4.85	2.6
220	138	♣Miles World 10p	180	.....	†3.0	3.5
26	15	♣Nationwide Leis	22½	.....	0.25	2.8
46	9	♣Norsk Int 20c	26	.....	—	—
31½	14½	♣Owners Abroad	24½	+1½	0.75	6.1
66	33	Photax (Lon.)	43	.....	—	—
29½	20	♣P'dilly Radio NV 5p	23	.....	1.87	♦
130	57	♣Pineapple Dnc S£10p	72	+1	d1.5	♦
420	285	Pleasurama 5p	393	+10	6.5	4.7
17½	10½	♣Pres Entertain 10p	16½	.....	bg0.02	2.0
158	60	♣Radio City 'A' NV	60	.....	5.6	8.9
70	50	♣Radio Clyde N/V	33	–2	3.25	♦
148	30	Riley Leisure 10p	52	.....	†4.2	2.4
162	94	Saga Hols. 20p	162	+8	†3.75	1.6
630	145	Samuelson Grp £1	630	.....	b6.65	3.6
32	18	♣Sangers Photo 10p	28	–1	b2.0	1.1
150	138	♣Scantro 50p	143	+3	bg3.68	2.2
190	98	Scott. TV 'A' 10p	150	.....	†8.1	2.9
413	186	SeaCo Inc $0.125	336	.....	—	—
35	10	♣SelecTV 10p	24	.....	—	—
145	122	♣Spectrum 5p	132	+2	g2.0	4.0
37	24	TSW 5p	32	.....	1.5	2.6
157	79	TVS N/Vtg 10p	135	+1	c5.0	♦
200	102½	♣Television Svcs 50p	200	+14	c1.5	4.2
90	60	Tottenham Hotspur	78	.....	d2.3	1.6
200	120	Trid'nt TV 'A' 10p	200	.....	7.5	♦

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

INSURANCES

LEISURE

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

MINES—Continued

Diamond and Platinum

Central African

Australians

Tins

Miscellaneous

1984-85 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
175	70	♥Colby Res Corp.	70	.....	—	—	—
955	500	Cons. Murch. 10c.	500xd	.....	†Q100c	1.4	8.3
36	29	‡Ennex Int. Ir10p	34	+4	—	—	—
252	150	Hampton Areas 10p	162	–1	3.75	2.3	3.1
225	140	♥Highwood Res.	165	.....	—	—	—
£24½	£16	Homestake Mining $1	£19¾	–½	Q20c	—	0.9
295	135	♥McFinley Red Lake	290	–10	—	—	—
240	101	♥Musto Explorations	207	–5	—	—	—
55	23	♥New Sabina Res C$1	32	+2	—	—	—
365	220	Northgate C$1	270	–3	—	—	—
718	500	RTZ	603	+15	†18.0	2.7	4.3
£155½	£113½	Do. 9½pcLn '95-2000	£132	+2½	Q9½%	35.4	F7.2
£11¾	850	♥Tara Expln $1	£10¼	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsetable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ■ "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3)
- ■ Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ■ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ## Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

OPTIONS — 3-month call rates

Stock	Rate	Stock	Rate	Stock	Rate
Courtaulds	11	Polly Peck	25	Premier	2
Debenhams	19	Racal Elect	24	Shell	55
Distillers	24	RHM	10	Tricentrol	22
Dunlop	5	Rank Org Ord	24	Ultramar	22
FNFC	7	Reed Intnl.	50	**Mines**	
Gen Accident	42	Sears	7		
Gen Electric	20	TI	10	Charter Cons	21
Glaxo	90	Tesco	8	Cons Gold	42
Grand Met.	26	Thorn EMI	42	Lonrho	14
GUS 'A'	55	Trust Houses	12	Rio T Zinc	60
Guardian	58	Turner Newall	9		
GKN	26	Unilever	80		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 27

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard, EC4P 4DX. 01-236 1833

High Income				
Gilts & Fixed Int.	110.6	117.0xd	+0.4	10.26
High Inc Equity	69.5	73.9xd	+0.8	6.09
Worldwide Bond	161.5	171.8	-0.5	5.65
Capital Growth				
American Growth	125.4	131.4xd	-0.3	1.42
Assets & Ernas. Tt.	69.0	73.8	+0.5	3.18
Capital Reserve	55.0	55.3	+0.1	0.76
Commodity & Enrgy	77.0	82.4	+0.1	2.71
General	101.5	180.6xd	+1.5	2.80
Japan	170.5	182.4	+0.9	0.80
UK Growth	61.1	72.1	+0.4	2.14
Acc. Units	94.8	101.9	+0.7	2.14
U.S. Emerging Co's	57.2	56.9		0.46
Equitas Prog	157.7	164.4	+2.3	3.59

Aitken Hume
30, City Road, EC1Y 2AY 01-628 6626

American Tech Fd.	132.0	141.2	+2.3	0.10
Exempt	435.0	462.0		—
Pacific Fd.	137.1	146.7	+0.5	0.20
Secured Income Fd	136.6	146.1	+1.6	5.88
Special Sits.	159.5	170.7	+1.4	1.56
Energy Fd.	35.6	38.1		0.60
American Majors	57.6	61.6	+0.4	2.26
Small Co's Fd (10/6r1)	28.7	30.6	+0.3	1.97
Jap. Technology	70.0	75.7	+0.5	0.20

Allied Unit Trusts Limited (a)(g)
Allied Hambro House, Hutton, Brentwood, Essex Brentwood. (0277) 211459 0 229123

Balanced Trusts and Income Trusts				
First Trust	158.3	167.8	+2.2	4.15
Growth & Inc Trust	101.8	107.9	+1.4	3.85
Capital Trust	188.1	199.6	+2.9	2.90
Balanced Trust	269.5	285.7	+3.5	3.86
Accum Trust	404.0	429.1	+6.4	3.18
American Income	29.6	31.4	-0.2	7.90
High Income Trust	176.5	107.1	+2.1	5.42

Britannia Group—Continued

General Funds				
UK Growth (Domestic)	30.6	32.6	+0.5	3.17
Exempt Funds				
Exempt	56.5	59.2	+1.0	4.12
Ex. Mkt. Ldrs.	63.3	66.8	+1.1	3.24
HCL Trusts				
Nelstar Gilt & F.I.	65.6	67.3	+0.3	9.62
Nelstar High Income	58.8	61.9	+1.2	5.49

Brown Shipley & Co. Ltd. (a)(g)
9-17 Perrymount Rd Haywards Hth 0444 050144

O.S. Fund	46.7	50.8	+0.9	4.77
O.S. Accum	75.3	80.9	+1.1	4.33
Financial	91.2	97.5	+1.9	7.07
Growth Accum	150.9	172.7	+7.8	1.83
Growth Income	104.5	111.5	+2.5	1.83
High Income	46.7	50.3	+1.6	6.11
Income	51.4	55.8	+1.2	5.29
North American	51.6	55.5	+0.3	1.29
Orient	52.1	56.1		0.17
Recovery	25.4	27.6	+1.2	3.97
Technology	150.9	162.2	+1.1	0.49
Exempt	154.6	166.3	+2.5	7.50

Buckmaster Management Co. Ltd. (a) (c)
The Stock Exchange, EC2P 2JT. 01-588 2868

General Inc Jan 10	150.1	166.4xd		7.62
Accum Units Jan 10	247.1	255.5		3.62
Income Jan 16	72.4	76.5	+0.4	5.52
Accum Units Jan 16	118.6	125.3	-0.7	5.52
Intl Jan 15	111.1	110.6		1.67
(Accum Units) Jan 15	146.4	153.5		1.67
Smaller Co's Jan 11	930.9	995.5		1.15
(Accum Units) Jan 11	973.4	1041.0		1.15

Canada Life Unit Trust Mngrs. Ltd.
2-6 High St, Potters Bar, Herts. P Bar 51122

Can Gen Dist.	87.2	91.7xd	+1.2	2.90
Do. Gen Accum	133.1	140.1	+1.9	2.90
Do. Income Dist.	59.3	62.5	+0.5	6.09
Do. Inc. Accum	113.4	119.4	+0.9	6.09
Gilt O Fxd. Int. Trust	33.7	35.4	+0.1	—

Gannon Fund Managers Ltd. (z)
1, Olympic Way, Wembley, HA9 0NB. 01-902 8876

Growth	205.5	210.6xd	+0.4	3.65
Income	235.2	250.2xd	+0.7	5.09
Far East	132.7	140.7	-0.3	0.56
North American	121.5	129.3	+0.2	1.97

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	69.0	74.3	+4.6	1.28
Accum Units	80.1	44.7	+5.8	1.28
J. Finlay High Income	52.0	55.9	-0.1	7.51
Finlay Wld. Energy	16.4	17.6	+0.2	2.74
Accum Units	22.4	24.1	+0.3	3.35
J. Finlay Fd In Tst.	81.4	87.5	-0.3	2.69
Accum Units	117.7	126.5	-0.4	2.69

Prices on January 8. Next dealing January 15.

Robert Fleming & Co Ltd
8, Crosby Square, EC3A 6AN 01-638 5858

†Am Exempt (16/11)	311.22	710.27	+16.51	2.04
†Jap Exempt (16/11)	244.81	252.43	+0.28	1.44
†Am Prop Tst (15/11)		511.269		7.00
†Prop Tst (25/12)		£2,116		6.80

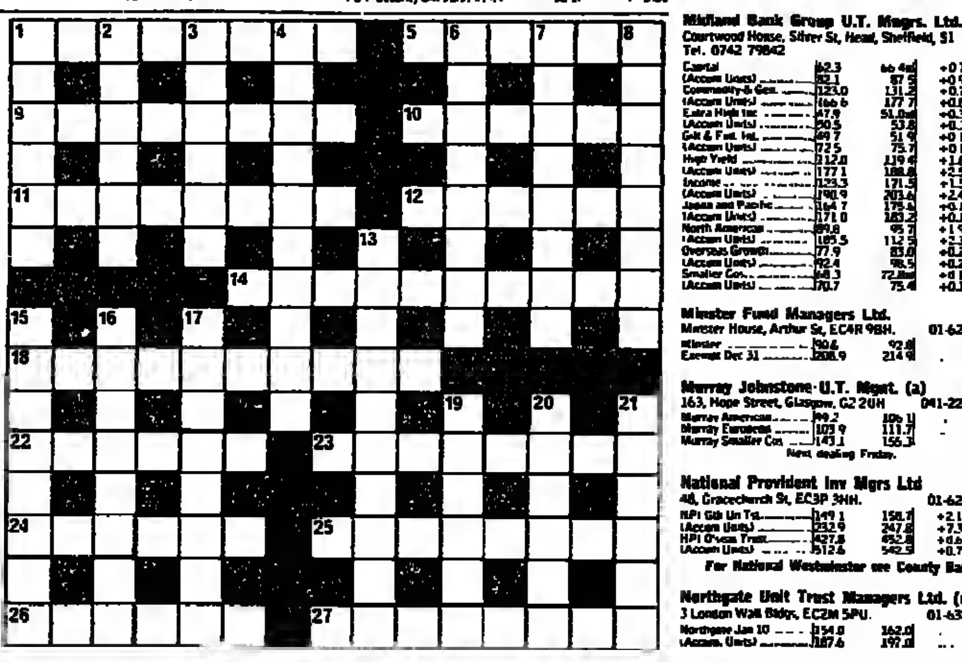
†Unauthorised.

L.B.I. Fund Managers Ltd. (a)
54 Pall Mall, SW1 5JH Tel 01-930 4105

L.B.I. Brit & O'seas	97.5	101.8	+1.1	2.00
L.B.I. High Inc	48.5	51.1	+0.2	9.90
L.B.I. Security Gilt	49.4	52.1		3.60

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,620



ACROSS

1 A sailor in the cast is naturally a good mimic (8)
5 Forcible company man (6)
9 A short verse on the Shannon river (8)
10 A new stage setting may include them (6)
11 How the skipper may be caught unawares? (2, 3, 3)
12 Not just lacking in beauty (6)
14 Understanding that's becoming popular (8, 2)
18 Appropriate change of accent is made (10)
22 Honour I dream about (6)
23 See 26 across
24 African U-boats wrecked (6)
25 Discovers it's fun to do wrong (5, 3)
26 and 23 Explorers will go to extremes to reach them (4, 2, 3, 5)
27 Fish in turn goes bad (8)

DOWN

1 Pink jumper has good taste (6)
2 Acknowledges it's mad to change (6)
3 Room for a variety of provisions (6)
4 Magic may concern transformations (10)
6 I'd turn up in a sort of orange fabric (8)
7 Part friends? (8)
8 Score at cricket trials? (4 4)
13 Whisky gets overlooked, we hear, in wet weather (6, 4)
15 Scratch game (8)
16 Girl thought to be like Queen Victoria? (8)
17 The book of a noted play (8)
19 An article in the van (6)
20 Go over undulating track (6)
21 What bleach will do when it is brought in (6)

Solution to Puzzle No. 5,619

هكذا من الأصل

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd.	531 43	—	+0.10	—

Inv. Adv M & G Inv. Mngt. Ltd. London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com Fund	12.1	13.2	1 10
Chinese Fund	58.0	61.2	1 70
Precious Metal Fund	71	78.3	0.30
Vanguard Cmdy. Fd	21.5	22 1	0.00
Financial Futures Fd.	32 5	33 8	—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Gwth Fd.	58.01	—	+0.02	—

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
The Money Market Trust — 63 De Victoria St, EC4N 4S1. 01-236 0952				
Call Fund	11.11	11 47	6-mth	Call
F-day Fund	9.42	9 60	6-mth	7-day
Oppenheimer Money Management Ltd — 66 Cannon St, EC4N 6AE 01-236 1425				
Call Fund	11 00	11 30	6-mth	Call
7-day Fund	9 21	9 42	6-mth	7-day
Money Mngt Acct.	10.87	11 32	3-mth	Call
Dollar	6 94	1 06	6-mth	2-day

Money Market Bank Accounts

	Nom	APR	Int Cr	Notice
Aitken Hume — 30 City Road, EC1Y 2AY 01-638 6070				
Treasury Acc	11.00	11 46	Qtr	Call
High Int. Chq	11 00	11 57	Mth	Call
Bank of Scotland — 38 Threadneedle St, EC2P 2EH 01-628 8060				
Cheque Acc.	11.25	11 85	Mth	Call
Barclays Prime Account — PO Box 125, Northampton 0604 252891				
High Int Cheque	11 00	11 46	Qtr	Call
Britannia Grp of Investment Companies — 29 Finsbury Circus, EC2M 5QL. 01-588 2177				
Cater Allen	11.25	11 85	Mth	Call
Charterhouse Japhet plc — 1 Paternoster Row, EC4M 7DH 01-248 3999				

NOTES

Further surge in copper market

BY RICHARD MOONEY

THE BULL trend in the London Metal Exchange copper market continued yesterday with the cash high-grade quotation ending £19.25 higher at £1,215.50 a tonne, a five-year high.

In early dealings, values retreated a little from the levels reached in after-hours trading on Tuesday, but a strong opening in New York coupled with a downturn in sterling's rate against the dollar triggered a renewed surge in the afternoon.

Aluminium's recent sustained advance ran out of steam, however, and the cash LME price finished £12.50 down at £969 a tonne, despite rallying in the afternoon.

The market began a busy day with a substantial sell-off which took the three-months quotation to a low of £982 a tonne at one stage. The selling, in which one major commission house was featured permanently, was triggered by Japanese sales. These were enough to spark profit-taking by dealers who had already seen the market bounce back from a resistance level at £1,025 a tonne for three-months metal.

The market rallied in the afternoon, however, on the strength of substantial speculative buying in New York and the three-months price closed at £1,007.50 a tonne, down only £2.75 on the day.

LME zinc traders also had a busy day. Disappointment at the low level of prices paid at Tuesday's U.S. mint tender and a 2 cents a pound price cut by Amax of the U.S. pushed prices down in the morning.

The market rallied after lunch, however, as dealers covered against earlier short sales. The cash quotation ended £12 down on balance at £713.50 a tonne, wiping out most of this week's rise.

EEC grain traders seek higher export subsidies

BY IVO DAWNAY IN BRUSSELS

EEC CEREALS traders have written to Mr Franse Andriessen, the new Farm Commissioner, in an attempt to win higher export subsidies for grain sales.

Coceral, the Association of EEC grain traders, claims that sales since September of 7m tonnes of wheat are "absolutely unsatisfactory" and threaten to leave huge surpluses in stores without buyers. The organisation says the Commission missed opportunities last year to dispose of large quantities of wheat at favourable prices.

A senior Commission official last night denied that increasing the level of subsidy would boost EEC sales. He argued that sales of low-priced wheat from Argentina would soon end as stocks were nearly exhausted. Other market opportunities for Community traders were available.

Total grain and flour sales of 16m tonnes in the current marketing year were said to compare favourably with 13m tonnes over the same period in 1983.

It is widely believed, however, that some Commission officials believe higher subsides should be offered to dispose of the Community's massive stocks. Current supplies in the EEC amount to nearly 78m tonnes when carry-over stocks in store are taken into account. Of this only about 47m tonnes will be taken up by internal demand.

● A committee set up by India's Ministry of Agriculture set a food grain target of 185m tonnes by 1990-91, up from a 1984-85 target of 153.6m and a record output of 151.5m in 1983-84, reports Reuters from New Delhi.

Distillate oil stocks increase in U.S.

By Nancy Dunne in Washington

U.S. STOCKS of crude oil, distillate and gasoline rose last week along with crude oil and product imports, according to the American Petroleum Institute.

Stocks of distillate for heating oil edged up to 159.5m barrels, 2m barrels more than at this time last year. Residual fuel oil stocks dropped slightly from last week to 54.7m barrels but were almost 10,000 barrels above last year's total.

Crude oil stocks increased by almost 6m barrels to 341.7m but remained well below last year's. Imports flowed steadily last week rising to 3.2m barrels. This compared with 2.7m barrels the previous week but was still within the normal range for this time of the year.

● Exxon, the world's largest oil company, has cut its posted crude oil prices by between 50 cents and $1 a barrel, writes Dominic Lawson. This includes a $1 cut, to $28, in the price it will pay for the main U.S. crude, West Texas Intermediate.

Exxon's move is the latest in a series of such cuts in the U.S. where only Shell and Arco, among the larger companies, are still offering $29 for WTI.

● THE CHICAGO Board of Trade has decided to introduce trading in corn (maize) futures options from February 27.

● MANY U.K. vegetable prices have doubled because of the bad weather and supplies could run out if the cold spell continues much longer, the Fresh Fruit and Vegetable Information Bureau warned yesterday.

● RUBBER futures for February delivery slipped back 1.25 Malaysian cents to 193.75 cents on the Kuala Lumpur market in the absence of International Rubber Organisation buffer stock buying. The buffer stock had purchased continuously for the previous six trading days in an attempt to prop up prices.

How traditional broking failed Lonconex

John Edwards on the problems facing commodity futures traders

THE BLEAK announcement that Lonconex, one of the best-known names in the London commodity futures industry, was to withdraw from trading came as a nasty shock, even to competitors. It was a reminder of the problems facing the industry which could well get worse rather than better in 1985.

Last year a series of mergers and takeovers, as well as sharp cuts in staff by many leading futures brokerage houses, signalled that the boom of the 1970s was well and truly over.

However, the demise of Lonconex, if not entirely unexpected after the bid to sell it to Citicorp had fallen through in November, is seen as a particularly ominous warning to traditional commodity futures traders. Lonconex, which was originally called London and Continental Export Company, is a wholly-owned subsidiary of the Golodetz group — a U.S. family-owned concern that belongs to the tight circle of select international traders which have been operating in the physical commodity and metal markets since the beginning of the century.

Lonconex is a ring-dealing member of the London Metal Exchange—and will remain so until at least the end of 1985 having recently been re-elected —and owns floor trading seats on the leading London "soft" (non-metal) futures exchanges.

Although fairly modest in size, it has a good reputation as a reliable company run by nice people — perhaps too nice, according to a cynical rival broker.

Mr Michael Brown, the managing director of Lonconex, is chairman of the management committee of the LME which is one of the most influential posts in the London metal markets. He is much respected and his offer to resign as chairman was unanimously rejected at a meeting of the LME board and committee last week because Lonconex is still a member of the exchange, phasing out its forward contractual commitments, and the committee is due for annual elections anyway in April.

Mr Brown is one of the 90 or so staff at Lonconex who are due to lose their jobs during the next few months. He says the decision to withdraw from futures trading was taken by the shareholders in the Golodetz group and is not prepared to speculate on the reasons.

So far as is known, Lonconex did not suffer a great financial disaster of the kind which hit ContiCommodities last year. Like other brokers it was grappling with spiralling overheads and expensive staff—a legacy from the boom—but was not losing a great deal of money even if it was not making a fortune.

What went wrong? The statement by the parent company said that the chief shareholders, the Golodetz and Ginsberg families, had considered for some time that broking was "peripheral" to their activities on the physical commodity markets. When the deal with Citicorp fell through, allegedly on objections from the U.S. Federal Reserve about a leading bank becoming directly involved in a speculative venture such as futures broking, it was decided there was no time to find an alternative buyer although talks were in progress with other companies. The Golodetz group wanted to get out quickly.

This seems a strange and sudden change of attitude. Golodetz has not seemed to consider broking peripheral during a long period in which it has been active in the markets. A little while ago it decided to reform Lonconex to combine the group's scattered brokerage businesses into one unit, which was then moved to more spacious premises housing the rest of the Golodetz group.

A few weeks ago, Lonconex applied for re-election to the LME for another year, hardly the action of a company planning to leave the business.

The favourite theory among brokers is that Lonconex is another victim of the commission cutting which has become so prevalent in the industry in recent years as a result of the ending of fixed commissions.

The depressed conditions in many metal and commodity markets have reduced the overall level of trade and speculative business and many companies have been forced to cut back or expand into financial futures, the main growth sector which has no direct link with traditional commodity trading.

The worrying feature for those still in the business is whether the decision by Golodetz, who are acknowledged to be shrewd traders, is simply recognition that it is no longer possible to make a decent return on capital from traditional commodity futures broking.

Unless market conditions soon improve considerably, which seems unlikely, several independent London brokerage houses are threatened with takeover or extinction. Rumours abound as to who will be next to go. What seems certain is that the industry will go through a period of painful adjustment to adapt to changed circumstances. Lonconex may be only an early casualty.

Indian jute mills call for more imports

BY P. C. MAHANTI IN CALCUTTA

THE INDIAN jute industry, which has been stepping up production to meet the high post-harvest internal demand for its goods, fears that unless India manages to import at least 1m bales before April the industry's raw material shortage will get out of hand.

Against an import quota of 500,000 bales, India has managed to import about 300,000 bales so far because of export restrictions in Bangladesh and Thailand, the main source of supply.

Including these imports, the industry has, according to the chairman of the Indian Jute Mills Association, a fibre stock of 3.3m bales, which will not be sufficient for its requirements until next July. It requires 700,000 bales per month.

Without further imports the larger mills may have to curtail production soon and the smaller ones may close down if they cannot purchase fibre at prices they can afford.

During December the industry produced 108,000 tonnes of jute goods compared with a little over 100,000 tonnes in the previous month. Such is the current state of demand, however, that stocks fell to only 78,000 tonnes from November's 81,000 tonnes against a normal level of about 100,000 tonnes, equal to about one month's production.

The low level of jute goods compels mills to increase output to meet the high demand.

Meanwhile, raw jute prices in the Calcutta market have crossed the Rs 1,000 (£71) a quintal (about 100 lbs) mark, creating records as the days pass and pushing up the industry's production costs further.

At this rate the goods could soon become uneconomic in the overseas markets and the industry might lose the lucrative U.S. market.

● The Bangladeshi Government is concerned about high world prices for jute, competition from cheaper synthetics and the sharp fall in jute production after floods last year destroyed 1m bales, Mr Korban Ali, the Jute Minister, said in Dhaka, reports Reuter.

He told a jute committee that Bangladesh cut its jute export target for fiscal 1984-85 ending June to 1.4m bales (181 kg) from the original 1.7m because of the production shortfall.

Rise in fishmeal usage expected

HAMBURG — World fishmeal usage is set to rise by 300,000 tonnes to 5.05m tonnes this season (October 1984-September 1985), the Hamburg-based newsletter Oil World said.

Disappearance remained well below production last season, resulting in an increase in stocks of 237,000 tonnes to 1.03m tonnes, it said.

World fishmeal production rose last season by about 350,000 tonnes to 4.95m tonnes.

Chile, Iceland, Japan and Peru accounted for almost all the increase. Slight increases elsewhere were offset by declines in others, it said.

Fishmeal's price ratio to soyameal generated some demand and the Soviet Union increased its imports to about 42,000 tonnes in October-December 1984 from only 2,000 in April-September. Almost all of it came from Peru, Oil World said.

It expects the largest increases in world fishmeal usage this season to be in the USSR, Japan, East Europe and the European Community.

Exports are expected to rise by 280,000 tonnes to 2.41m tonnes. Chile is likely to lead the exporting countries with 724,000 tonnes after 484,000 last season, followed by Peru, the U.S. and Iceland.

Philippines sells fewer coconuts

MANILA—Exports of Philippine coconut products last year fell to 1.13m tonnes in copra terms from 1.81m tonnes in 1983, but earnings rose to $801.9m (£716.9m) from $738.6m in 1983, the Philippine Coconut Authority said.

It said the 38.5 per cent drop in volume was due to the effects of a drought in 1983 and last year's typhoon.

The 8.5 per cent rise in income was a result of higher world prices for coconut oil and desiccated coconut, it added.

LONDON MARKETS

A LATE rally helped nearby cocoa futures regain most of Tuesday's losses.

Dealers attributed the recovery, which lifted the May position £18 to £2,063.50 a tonne, to signs of manufacturer buying interest and news that West German bean grindings in the final quarter of 1984 were 5.8 per cent up on 1983.

Coffee futures prices were also firm, reflecting improved roaster interest and bullish chart patterns, and the March quotation ended £11.50 up at £2,359.50 a tonne.

Sugar values eased, however, and despite firming a little in late trading nearby positions ended a dollar or two lower. A larger than expected whites export authorisation of 75,750 tonnes at the weekly EEC tender encouraged the late rally.

MAIN PRICE CHANGES

In tonnes unless otherwise stated

	Jan. 16 1985	+ or −	Month ago
METALS			
Aluminium	£1100		£1100
Free Mkt.	$1125/1155	−20	$1150/1180
Copper			
Cash h Grade	£1215.5	+19.25	£1135.5
3 mths	£1225.25	+16.5	£1146.75
Gold troy oz	$302.75		$309.75
Lead Cash	£360.25	+8	£341
3 mths	£328.75	−1	£335
Nickel	£5818		£5967
Free Mkt.	218/249c		222/252c
Palladium oz.	$116.75		$129.50
Platinum oz	$271.50	+0.5	$295.50
Quicksilver†	$295/305		$300/310
Silver troy oz	535.85p	−0.55	543.85p
3 mths	551.00p	−1.50	558.00p
Tin cash	£9822.5	+38	£9817.5
3 mths	£9816.5	+15	£9887.5
Tungsten	$81.75		$86.51
Wolfram 22.04lb	$64/68	−2	$74/78
Zinc	£713.5	−12	£677
3 mths	£706.75	−11.5	£676.5
Producers	$900		$900

	Jan. 16 1985	+ or −	Month ago
OILS			
Coconut (Phil)	$885y	−10	$945
Palm Malayan	$580w		$600
Seeds			
Copra Phil	$560v		$560
Soyabean (U.S.)	$251.35	+3.85	$248.9
GRAINS			
Barley Fut. Mar	£114.35		£112.40
Maize	£148.50		£156.50
Wheat Fut. Mar	£113.95	−0.05	£113.35
No2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. May	£2063.5	+18	£1838.0
Coffee Ft. Mar	£2359.5	+11.5	£2238
Cotton A Index	71.45c	−0.10	72.35c
Gas Oil Feb.	$232.5	−4.75	$233
Rubber (kilo)	64p		61s
Sugar (raw)	$115yw	+0.5	$104
Woolt'ps 64s	486p kilo		487p kilo

‡ Unquoted. z Feb. w Mar. y Jan-Feb. s Dec-Jan. v Mar-April. † Per 75-lb flask. n Nominal. c Cents per pound.

INDICES

FINANCIAL TIMES

Jan. 15	Jan. 14	M'th ago	Year ago
294.60	295.21	289.39	291.81

(Base: July 1 1952 = 100)

REUTERS

Jan. 16	Jan. 15	M'th ago	Year ago
1983.1	1981.1	1894.7	1957.6

(Base: September 18 1931 = 100)

MOODY'S

Dec. 27	Dec. 18	M'th ago	Year ago
965.9	966.4	—	1404.8

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Dec. 07	Dec. 10	Month ago	Year ago
Spot	121.99	122.83	—	140.42
Fut	124.33	126.68	—	143.53

(Base: December 31 1974 = 100)

COPPER

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grde	£	£	£	£
Cash	1196.5	+10	1215.5	+19.2
3 months	1207.5-8.5	+7	1225.5	+16.5
Settlem't	1198.5	+10	—	—
Cathodes				
Cash	1189-91	+3	1205.7	+15
3 months	1204-6	+2	1220-1	+12.5
Settlem't	1191	+3	—	—

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1,193, 98.5, three months £1,205, 04, 03, 02.5, 02, 03, 04, 05, 06, 07, 07, 07, 07.5, 08. Kerb Higher Grade: Three months £1,208, 08.5, 09, 10, 11, 11.5, 12, 11, 10. Afternoon: Higher Grade: Three months £1,224, 25, 26, 25, 24.5, 24, 23.5, 23, 23.5, 24, 24.5, 27, 26.5, 26, 25.5, 26. Cathodes: Three months £1,220. Kerb: High Grade: Three months £1,224, 25, 24, 23, 22, 23, 24, 23, 21, 22, 23, 24, 25, 24.5, 24. Turnover: 37,775 tonnes. U.S. Producers: 63-66 cents a pound.

TIN

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grde	£	£	£	£
Cash	9815-20	+52.5	9825-30	+35
3 months	9805-15	+2.5	9820-30	+20
Settlem't	9820	+50	—	—
Standard				
Cash	9798-800	+34	9820-5	+35
3 months	9780-90	−2.5	9810-8	+85
Settlem't	9800	+30	—	—
Straits. E.	$29.15	—	—	—

Tin—Morning. Standard: Cash £9,800, 9,798, three months £9,790, 9,800, 9,795, 90, 85. High Grade: Three months £9,820. Kerb: Standard. Three months £9,790, 85, 80. Afternoon: Standard: Three months £9,785, 90, 95, 9,800, 05, 10, 15. High Grade. Cash £9,830. Kerb: Three months £9,800, 05. Turnover: 1,425 tonnes.

LEAD

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	363-5	+8.5	360.5	+5
3 months	329.5-30	+3.5	328.5-9.0	−1
Settlem't	365	+9	—	—

ZINC

ALUMINIUM

Alumin'm	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Spot	955-6	−18.2	968.5-9.5	−12.5
3 months	984-.5	−20.5	1007-8	−2.75

Aluminium—Morning: Three months £985, 85, 84, 83, 82, 83, 84. Kerb: Three months £984, 83.5, 83, 84. Afternoon: Three months £997, 98, 99, 1,000, 01, 02, 03, 04, 05, 03, 02, 04, 05, 08, 09, 09.5, 10, 11, 12, 11.5, 10, 08. Kerb: Three months £1,008, 07, 06, 05, 04, 03, 02, 03, 02, 01, 1,000, 999, 98, 97, 98, 99, 1,000. Turnover: 59,500 tonnes.

NICKEL

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −
Spot	4320-5	−15	4335-40	−7.5
3 months	4360-5	−15	4365-8	−20.5

Nickel — Morning: Three months £4,360, 55, 58, 60. Kerb: Three months £4,360. Afternoon: Three months £4,360. Kerb: Three months £4,370. Turnover: 894 tonnes.

GOLD

Gold closed unchanged at $302¾-303 on the London bullion market, after a quiet day. It opened at $303¼-303¾, and was fixed at $302.45 in the morning and $302.70 in the afternoon. The metal touched a peak of $303¾-304 and a low of $302¼-302¾.

LONDON FUTURES

SILVER

Silver was fixed 0.55p an ounce lower for spot delivery in the London bullion market yesterday at 535.85p. U.S. cent equivalents of the fixing levels were: spot 601.5c, up 2.6c; three-month 613.5c, up 2.5c; six-month 627.3c, up 2.8c; and 12-month 658.2c, up 2.5c. The metal opened at 537-540p (603-606c) and closed at 542-545p (608-617c).

COCOA

COFFEE

GRAINS

Old crops again remained in a narrow range and closed on the day's lows. New crops saw good buying interest to close steady in thin trading, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or −	BARLEY Yesterd'ys close	+ or −
Jan.	111.40	+0.00	112.45	+0.05
Mar.	113.95	−0.05	114.35	—
May	117.60	−0.10	117.10	−0.05
July	110.50	−0.10	—	
Sept.	90.00	—	98.70	+0.35
Nov.	102.15	+0.05	103.00	+0.20

PIGMEAT

POTATOES

OIL

Trade remained concentrated on February North Sea crudes at low prices. Offers of Iranian crude cif Japan softened Arab Light. Nymex crude opened 11c down and fell a further 20c by 1 am EST. In petroleum products the IPE and Nymex were weakened by high American stock statistics. Cs oil prices fluctuated downwards in response to this despite continued end-user demand. Heavy fuel firmed in the Mediterranean due to increased demand. In NW Europe prices were unchanged but steady demand continued on the Rhine barges —Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arab Light	28.00-28.20	−0.85
Arab Heavy	26.75-26.85	+0.075
Dubai	27.35-27.45	−0.025
Brent Blend	26.90-27.00	−0.30
W.T.I. (1pm est)	25.55-25.70	−0.525
Forcados (Nigeria)	27.35-27.45	−0.065
Urals (cif NWE)	—	—
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	231-235	—
Gas Oil	235-238	−1.5
Heavy fuel oil	184-187	—

All February prices. Petroleum Argus Estimates

Turnover: 4,935 (2,712) lots of 100 tonnes.

GAS OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Jan	236.00	−4.50	235.00-32.60
Feb	230.50	−4.75	232.75-28.00
March	220.50	−5.75	226.00-22.00
April	215.20	−6.75	219.75-15.00
May	213.00	−7.25	217.00-12.00
June	215.00	−5.00	215.00
July	212.00	−5.50	—

RUBBER

SOYABEAN MEAL

SUGAR

U.S. MARKETS

HEATING OIL prices were sharply lower as the industry distillate stock report showed a build-up instead of a substantial drawdown, reports Heinold Commodities. Copper moved higher in response to a higher cash list price and on indications that more mines would be closed if the unions and major U.S. companies cannot resolve the current impasse. Aluminium traded lower mostly on profit-taking following recent price advances. Sugar closed moderately lower on speculative liquidation triggered by trade selling. Precious metals were slightly higher in sympathy with the currencies but were nominally higher on list manufacturer pricing and on inquiries from Eastern Europe. Coffee finished fractionally lower

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Jan	48.65	—	—	49.60
Feb	48.85	—	—	49.80
March	49.25	50.25	49.00	50.20
May	50.00	51.80	49.80	51.80
July	50.75	51.85	51.30	51.80
Sept	51.50	52.45	52.35	52.60
Dec	52.70	52.80	52.80	53.80
Jan	53.10	—	—	54.20
March	53.80	—	—	55.00
May	54.70	—	—	55.80

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	2149	2160	2135	2141
May	2170	2190	2150	2162
July	2157	2166	2148	2149
Sept	2154	2164	2145	2150
Dec	2100	2107	2088	2090
March	2109	2080	2085	2099

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Jan	58.55	59.10	57.50	58.80
Feb	58.66	—	—	50.20
March	59.05	59.80	58.50	58.50
May	58.50	60.10	59.20	59.15
July	58.80	60.70	59.65	58.70
Sept	60.30	60.50	60.20	60.25
Dec	61.10	61.85	61.80	61.15
Jan	61.35	—	—	61.45
March	61.85	62.40	61.90	62.10
May	62.30	—	—	62.70

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
March	66.13	66.65	66.11	65.61
May	67.15	67.60	67.05	67.97
July	67.82	68.30	67.80	68.16
Oct	67.65	67.83	67.80	67.88
Dec	67.51	67.85	67.51	67.85
March	68.95	69.05	69.00	68.05
May	65.70	—	—	69.70

CRUDE OIL (LIGHT) 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Feb	25.66	25.67	25.56	25.91
March	25.55	25.90	25.48	25.89
April	25.47	25.80	25.37	25.80
May	25.41	25.70	25.30	25.75
June	25.30	25.62	25.20	25.67
July	25.25	25.62	25.25	25.63
August	25.30	25.50	25.50	25.63
Sept	—	—	—	25.63
Oct	—	—	—	25.63
Nov	25.36	—	—	25.63

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	303.7	—	—	301.5
Feb	304.5	304.8	302.0	302.3
March	306.4	—	—	304.2
April	308.2	308.6	305.6	306.0
June	312.6	312.8	310.6	310.4
August	317.0	315.0	315.5	314.8
Oct	321.5	320.7	318.5	315.4
Dec	326.7	326.9	324.5	324.4
Feb	332.0	331.0	331.0	329.5
April	337.3	—	—	334.8
June	343.1	—	—	340.5
August	349.1	347.5	347.6	346.4
Oct	355.3	—	—	352.5

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Feb	76.50	77.45	76.05	76.80
March	71.30	72.65	70.90	72.09
April	67.72	69.80	67.30	68.75
May	66.90	67.10	66.60	67.47
June	65.90	66.50	65.50	66.47
July	66.25	—	—	66.83

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Jan	157.50	58.45	57.80	57.50
March	160.80	61.30	59.80	58.20
May	161.90	62.60	60.25	60.45
Sept	160.40	—	59.80	58.85
Nov	158.9	58.50	58.60	58.80
Jan	157.80	—	—	56.90
March	157.90	57.50	57.50	56.95

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	270.5	270.5	269.0	268.5
Feb	274.0	—	—	—
March	276.0	—	—	—
April	274.7	276.0	269.5	273.7
July	288.5	281.0	276.5	279.5

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
March	676.7	675.0	669.8	667.1
May	688.7	687.0	680.5	679.0

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
March	4.58	4.66	4.51	4.67
May	4.92	4.01	4.88	5.05
July	5.30	5.38	5.27	5.43
Sept	5.55	5.62	5.55	5.65
Oct	5.73	5.80	5.68	5.83
Jan	6.21	6.27	6.27	6.28
March	6.68	6.76	6.65	6.81
May	6.96	7.01	6.96	7.04

SPOT PRICES—Chicago loose lard 25.80 (same) cents per pound. New York tin 498.0-510.0 (500.0-15.0) cents per pound. Handy and Harman silver bullion 609.0 (604.5) cents per troy ounce.

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	65.32	65.75	65.10	66.32
April	67.17	67.60	66.95	67.32
June	67.32	67.70	67.10	67.45
August	65.37	65.72	65.25	65.65
Oct	63.57	64.00	63.55	63.80
Dec	64.85	65.15	64.85	65.10

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	51.55	52.20	51.50	52.40
April	48.67	49.20	48.60	49.47
June	53.75	54.20	53.67	54.42
July	54.12	54.45	54.05	54.67
August	52.90	53.40	52.85	53.50
Oct	48.85	49.00	48.75	49.05
Dec	49.17	49.35	49.02	49.37
Feb	49.80	48.15	49.80	48.85
April	46.40	46.40	46.40	46.25

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	71.90	73.40	71.80	73.80
March	72.32	73.77	72.32	74.32
May	73.87	75.35	73.87	75.87
July	74.60	76.60	74.72	76.72
August	73.15	74.65	73.05	74.50
Feb	66.50	67.60	66.45	67.10
March	66.10	66.50	66.10	66.70

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
March	271.5	273.2	271.0	271.0
May	277.4	278.4	277.0	276.6
July	279.5	280.4	279.2	279.0
Sept	274.2	274.5	273.6	274.0
Dec	269.0	270.0	268.4	269.5
March	279.2	280.0	279.0	279.0
May	286.0	287.0	285.2	285.4

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Jan	586.0	589.2	583.4	584.4
March	594.5	599.4	592.2	594.2
May	606.2	611.0	604.0	606.0
July	615.0	620.4	613.2	615.4
August	617.4	621.0	613.4	617.4
Sept	609.0	612.4	609.0	609.0
Nov	611.0	614.4	609.4	610.2
Jan	623.5	626.4	623.0	622.4

SOYABEAN MEAL 100 tons, $/ton

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Jan	26.07	26.25	25.95	26.04
March	25.28	25.80	25.22	25.40
May	24.88	25.20	24.85	25.02
July	24.80	24.80	24.55	24.68
August	24.40	24.50	24.40	24.45
Sept	24.25	24.25	24.25	24.30
Oct	24.00	24.00	24.00	24.00
Dec	23.70	23.75	23.70	23.78

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	353.4	356.2	351.6	353.6
May	346.0	347.6	345.0	345.0
July	334.4	335.8	333.4	334.6
Sept	336.0	337.0	335.0	336.2
Dec	346.0	347.2	346.0	346.0
March	349.0	—	—	349.0

OTHER MARKETS

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. March 581.0, 582.0, 582.0-581.0; May 587.0, 590.0, 588.0; July 596.0, 598.0, untraded; Oct 582.0, 588.0, u/t; Dec 584.0, 590.0, u/t; March 592.0, 602.0, u/t; May 596.0, 605.0, u/t; July 605.0, 610.0, u/t. Sales: 5.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Jan buyer unquoted, 518 seller, 516; March 514, 516, 516; May 522, 524, 524-522; Aug 542, 544, 543-539; Oct 542, 546, 545-541; Dec 544, 546, 543-541; Jan 544, 546, 55-543; March 554, 556, 553-552; May 558, 560, 559-557. Sales: 109.

MEAT

SMITHFIELD—Pence per pound. Beef —Scotch killed sides 77.0 to 80.0; English hindquarters 92.0 to 98.0, forequarters 62.0 to 67.0. Veal—Dutch hinds and ends 123.0 to 127.0. Lamb—English small 68.0 to 74.0, medium 56.0 to 72.0, heavy 58.0 to 65.0. Scotch medium 62.0 to 67.0, heavy 59.0 to 64.0; Imported: New Zealand PL (new season) 70.0 to 71.0, PL (old season) 67.3 to 68.0. Pork—English under 100 lb 49.0 to 62.5, 120-160 lb 45.0 to 53.0.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 99.07p per kg lw (+0.74). GB—Sheep 156.22p per kg est dcw (−7.58). GB—Pigs 83.54p per kg lw (−0.32). GB—AAPP 110.66p per kg dw.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 123 tonnes. Moderate trading developed with Central and South American growths in request. Users also wanted East and West African varieties.

PARIS

SUGAR—(FFr per tonne): Mar 1445/1446, May 1490/1492, Aug 1580/1585, Oct 1645/1655, Dec 1725/1745, Mar 1830/1836.

COCOA—(FFr per 100 kg): Mar 2176/2182, May 2190/2195, July 2160 bid, Sept 2190 bid, Dec 2130 bid, Mar 2130 bid, May 2130 bid.

ROTTERDAM

WHEAT—(U.S. $ per tonne): U.S. two soft red winter Feb 167, Mar 167, April 165.50. U.S. two northern spring 14 per cent protein spot 178, Feb 183, Mar 185, April/May 170. U.S. northern spring 15 per cent protein spot 198, April/May 187.50. U.S. three hard amber durum Jan 202, Feb 204, Mar 206, April/May 188, June 186, Sept 184. Canadian one western amber durum April/May 196.

MAIZE—(U.S. $ per tonne): U.S. three yellow afloat 136, Jan 135, Feb 133, Mar 132, April/June 132, July/Sept 132 sellers. Argentine Plate Mar 134, April 133, April/June 130 sellers.

SOYABEANS—(U.S. $ per tonne): U.S. no two yellow Gulfports afloat 245, Jan 245.35, Feb 243.50, Mar 244, April 244.70, May 245.75, June 247, July 248, Aug 249, Oct 241.75, Nov 241.75 sellers.

SOYAMEAL—(U.S. $ per tonne): 44 per cent afloat 168, Jan 170, Feb and Mar 170, April/Sept 171 sellers. Pellets Brazil afloat 184, Jan 182, Feb 183, Mar 178, April and May 170, April/Sept 172 sellers. Pellets Argentine afloat 172.50, Jan 173, Feb and Mar 175, May/Dec 170 sellers.

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Renewed demand for dollar

Demand for the dollar in New York during late European trading pushed the U.S. currency up to near record levels again. The market continues to see few attractive alternatives to the dollar despite underlying factors which might have been expected to depress the currency yesterday.

Recent economic statistics were regarded as disappointing, including yesterday's publication of U.S. business inventories and industrial capacity utilisation, while the market was also nervous of possible agreement at the Group of Five meeting in Washington on moves to stem the dollar's appreciation. On the other hand, recent intervention by the German Bundesbank has been conspicuous by its absence, but there was some apprehension about a possible rise in the eGrman Lombard rate at today's Bundesbank council meeting.

Weekly M1 money supply is expected to rise by about $2.5bn, and Federal funds had a firmer tone, before intervention by the Federal Reserve to add liquidity drove the rate down to 8 7/16 per cent from 8 9/16 per cent in New York at lunchtime.

At that time the dollar was around DM 3.1925, after closing at DM 3.1890 in London compared with DM 3.1850 previously. It also rose to FFr 9.7625 from FFr 9.7475, and Y254.90 from Y254.70, but eased to SwFr 2.6750 from SwFr 2.6800.

On Bank of England figures the dollar's index fell to 146.5 from 146.7.

STERLING—Trading range against the dollar in 1984-85 is 1.4940 to 1.1110. December average 1.1873. Exchange rate index unchanged at 71.3, against 78.2 six months ago. Afetr opening at 71.2 the index held steady for most of the day.

Sterling suffered a late reversal after a quiet day, when the pound had been generally firmer against the dollar and most other currencies. It opened unchanged from the previous London close, at $1.1200, and traded above that level for almost all the day, before late demand for the dollar in New York pushed sterling down to close at $1.1180-1.1190, a fall of 15 points on the day. The pound finished unchanged at DM 3.5875, but fell to FFr 10.92 from FFr 10.93; SwFr 2.9950 from SwFr 3.0025; and Y285 from Y285.25.

D-MARK — Trading range against the dollar in 1984-85 is 3.1935 to 2.5535. December average 3.1021. Trade-weighted index 120.1 against 124.7 six months ago.

The D-mark was firmer against the dollar and most of its EMS partners at the Frankfurt fixing, but fell back slightly against sterling. Trading was quiet ahead of news from the Group of Five meeting in Washington and the Bundesbank council meeting today. Lower U.S. interest rates, with U.S. banks recently cutting prime lending rates to 10½ per cent from 10¾ per cent, erroded support for the dollar, although by the close of Frankfurt trading the U.S. currency was slightly above its fixing level of DM 3.1833, compared with DM 3.1947 on Tuesday. There was little reaction to the statistics issued from Washington on the economy. The Bundesbank did not intervene at the fixing, and there was also no sign of dollar sales by the central bank on the open market. Nervousness surrounds today's Bundesbank meeting, on the possibility of an increase in the 5.5 per cent Lombard rate, in spite of the fact that no Press conference will follow the meeting.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu January 16	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	44.4954	−0.90	−0.03	±1.5428
Danish Krone	8.14104	7.96083	−2.21	−1.34	±1.6421
German D-Mark	2.24184	2.22337	−0.82	+0.05	±1.1463
French Franc	6.87456	6.81159	−0.92	−0.05	±1.3659
Dutch Guilder	2.52595	2.51330	−0.50	+0.37	±1.5165
Irish Punt	0.72569	0.715364	−1.42	−0.55	±1.6671
Italian Lira	1403.49	1364.24	−2.80	−2.54	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

STERLING EXCHANGE RATE INDEX
(Bank of England)

	Jan 16	Previous
8.30 am	71.2	71.1
9.00 am	71.3	71.3
10.00 am	71.2	71.2
11.00 am	71.3	71.0
Noon	71.3	71.1
1.00 pm	71.3	71.1
2.00 pm	71.3	71.1
3.00 pm	71.3	71.2
4.00 pm	71.3	71.3

£ in New York

	January 16	Prev. close
£ Spot	$1.1123-1170	$1.1180-1190
1 month	0.42-0.38 pm	0.43-0.41 pm
3 months	1.03-0.98 pm	1.05-1.03 pm
12 months	2.05-1.95 pm	2.11-2.09 pm

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST POUND

Jan 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1160-1.1240	1.1180-1.1190	0.39-0.35c pm	3.97	0.95-0.90 pm	3.31
Canada	1.4805-1.4880	1.4815-1.4825	0.33-0.24c pm	2.31	0.82-0.69 pm	2.04
Nethlnd.	4.02¼-4.04¼	4.02½-4.03½	2¼-2c pm	6.33	6¾-6¼ pm	2.64
Belgium	71.25-71.53	71.35-71.45	12-6c pm	1.51	28-77 pm	1.20
Denmark	12.76-12.80¼	12.76-12.77	¾ore pm-⅓ dis	−0.12	¼-1¼ dis	−0.23
Ireland	1.1461-1.1521	1.1490-1.1500	0.24-0.35p dis	−3.06	0.55-0.80dis	−2.35
W. Ger.	3.55¾-3.58	3.56¾-3.57¾	2-1¾pf pm	6.31	5¼-4¾ pm	5.69
Portugal	192.50-194.90	192.60-194.60	190-485c dis	−20.92	590-1455dis	−21.13
Spain	196.50-197.60	196.70-197.20	10-36c dis	−1.37	45-80 dis	−1.27
Italy	2,180-2,192½	2,184½-2,185½	4-7lire dis	−3.02	12-16 dis	−2.56
Norway	10.32-10.36	10.32-10.33	⅛-1½ore dis	−1.23	2½-3½ dis	−1.12
France	10.89¼-10.95¼	10.91½-10.92½	1½-⅞c pm	1.37	3-2 pm	0.92
Sweden	10.20½-10.25¾	10.22-10.23	1-¼ore pm	0.73	1½-½ pm	0.49
Japan	284½-286¼	284½-285½	1.51-1.41y pm	6.12	3.93-3.80 pm	5.42
Austria	25.02-25.12	25.03-25.07	11⅞-10⅛gro pm	5.27	28½-25⅞ pm	4.41
Switz.	2.98½-3.01	2.99-3.00	1½-1¼c pm	2.28	4¾-4¼ pm	2.09

Belgian rate is for convertible francs. Financial franc 71.40-71.55. Six-month forward dollar 1.44-1.39c pm. 12-month 1.90-1.70c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Jan 16	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1160-1.1240	1.1180-1.1190	0.39-0.35c pm	3.97	0.95-0.90 pm	3.31
Ireland†	0.9748-0.9780	0.9748-0.9758	0.57-0.51c pm	6.64	1.44-1.38 pm	5.74
Canada	1.3241-1.3253	1.3243-1.3248	0.77-0.20c dis	−1.67	0.40-0.45dis	−1.29
Nethlnd.	3.5900-3.6050	3.6025-3.6035	0.69-0.66c pm	2.25	2.08-2.03 pm	2.28
Belgium	63.64-63.80	63.70-63.80	9-10c dis	−1.79	21-23 dis	−1.38
Denmark	11.38¾-11.41½	11.40¼-11.40¾	2.65-3.15ore dis	−3.05	8.25-8.75dis	−2.98
W. Ger.	3.1790-3.1910	3.1885-3.1895	0.68-0.63pf pm	2.47	1.86-1.81 pm	2.30
Portugal	172½-173½	172½-173½	250-500c dis	−26.01	700-1450dis	−24.85
Spain	175.75-172.20	176.05-176.20	75-85c dis	−5.46	195-215 dis	−4.66
Italy	1,950-1,955	1,953½-1,954½	11¼-12lire dis	−7.22	29¼-30 dis	−2.10
Norway	9.20½-9.24	9.22¼-9.22¾	3.60-4.10ore dis	−5.01	10.0-10.5dis	−4.45
France	9.74-9.78¼	9.76-9.76½	2.00-2.15ore dis	−2.55	5.50-5.80dis	−2.31
Sweden	9.11½-9.14¼	9.13¼-9.13¾	2-2½ore dis	−2.96	6.70-7.20dis	−3.04
Japan	254.60-254.95	254.85-254.95	0.47-0.43y pm	2.12	1.31-1.26 pm	2.02
Austria	22.33½-22.41	22.39-22.41	2.60-1.90gro pm	1.21	7¼-5¼ pm	1.12
Switz.	2.6695-2.6850	2.6740-2.6755	0.62-0.56c pm	3.84	1.94-1.88 pm	2.85

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 63.85-63.95.

OTHER CURRENCIES

Jan. 16	£	$		£ Note Rates
Argentina Peso	29.22-29.93	195.65-195.84	Austria	24.90-25.20
Australia Dollar	1.5685-1.5705	1.2196-1.2206	Belgium	71.30-72.10
Brazil Cruzeiro	3,705.32-3,726.12	3,301-3,318	Denmark	12.72-13.82
Finland Markka	7.4760-7.4235	6.6655-6.6675	France	10.80-11.02
Greek Drachma	144.21-147.13	128.53-131.13	Germany	3.55-3.28
HongKong Dollar	8.7460-8.7280	7.7950-7.7980	Italy	2176-2230
Iran Rial	105.70*	94.85*	Japan	285-289
KuwaitDinar(KD)	0.34378-0.34415	0.30625-0.30650	Netherlands	4.02-4.06
Luxembourg Fr	71.35-71.45	63.70-63.80	Norway	10.28-10.38
Malaysia Dollar	2.7950-2.8020	2.4910-2.4926	Portugal	192-202
New Zealand Dlr	2.3836-2.3882	2.1245-2.1270	Spain	194-204
Saudi Arab Riyal	4.0200-4.0250	3.5815-3.5825	Sweden	10.18-10.28
Singapore Dollar	2.4670-2.4730	2.1985-2.2000	Switzerland	2.99-3.03
Sth African Rand	2.5612-2.5756	2.2855-2.2860	United States	1.11-1.13
U.A.E. Dirham	4.1215-4.1270	3.6720-3.6740	Yugoslavia	275-300

* Selling rate.

CURRENCY MOVEMENTS

Jan. 16	Bank of England Index	Morgan Guaranty Changes%
Sterling	71.3	−18.3
U.S. dollar	146.5	+32.4
Canadian dollar	91.0	−3.0
Austrian schilling	110.0	+3.8
Belgian franc	88.7	−10.2
Danish Kroner	78.3	−2.0
Deutsche mark	120.1	+6.1
Swiss franc	136.3	+7.6
Guilder	109.8	+3.0
French franc	63.4	−12.4
Lira	46.8	−13.3
Yen	124.2	+10.4

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Jan. 16	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.868345	0.623104
U.S. $	8	0.973415	0.698665
Canadian $	2.74	*	0.92568
Austria Sch.	4½	21.7695	15.5073
Belgian Fr	11	61.8944	44.4954
Danish Kr	7	11.0950	7.96043
Dmark	4½	3.50867	2.22337
Guilder	5	3.49943	2.51330
French Fr	9½	9.48690	6.81152
Lira	16½	N/A	1364.24
Yen	5	248.123	178.010
Norway Kr	8	N/A	8.44208
Span'h Pta	½	171.274	122.823
Swedish Kr	8	8.88436	6.37914
Swiss Fr	4	2.60827	1.87113
Greek Dr'ch	20½	126.280	90.5487
Irish Punt	12¾	N/A	0.715364

*C$/SDR rate for January 15: 1.28723.

EXCHANGE CROSS RATES

Jan. 16	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Frank
Pound Sterling	1.	1.119	3.568	285.0	10.98	2.995	4.030	2185.	1.483	70.40
U.S. Dollar	0.894	1.	3.192	254.2	9.765	2.272	3.603	1954.	1.322	63.72
Deutschem'rk	0.280	0.314	1.	79.89	3.066	0.840	1.130	612.5	0.416	20.01
Japanese Yen 1,000	3.509	3.935	12.52	1000.	38.32	10.51	14.14	7667.	5.208	250.2
French Franc 10	0.912	1.024	3.227	261.0	10.	2.743	3.290	2001.	1.358	65.38
Swiss Franc	0.334	0.373	1.121	95.12	3.646	1.	1.348	722.2	0.422	23.84
Dutch Guilder	0.248	0.278	0.885	70.72	2.710	0.740	1.	542.2	0.368	17.72
Italian Lira 1,000	0.458	0.518	1.632	130.4	4.998	1.371	1.844	1000.	0.678	32.62
Canadian Dollar	0.270	0.754	2.406	192.8	7.366	2.020	2.718	1474	1.	48.10
Belgian Franc 100	1.401	1.567	4.296	392.2	15.29	4.195	5.644	3060.	2.078	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 16	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	10¾-11¼	8 7/16-8 9/16	9⅜-9¾	0⅞-0	8½-3¼	2⅛-2⅝	10¼-10⅜	13⅛-14⅛	11-11⅛	10¾-11	8⅛-0⅞	8⅝-2⅛
7 days' notice	11⅜-12	8 7/16-8 9/16	2⅝-8⅞	8⅞-2	6-2⅛	5⅝-5¾	10¼-10⅜	14⅝-15⅝	10⅛-11	10⅝-10⅞	2¼-5⅛	11-11½
Month	12⅛-19¼	8⅛-8⅛	2 7/16-8¾	2 7/16-5 1/16	2½-2⅝	2¾-2⅞	10⅛-10⅜	14¾-15¼	10⅛-11	10⅝-10⅞	8¼-5 9/16	11⅝-12½
Three months	19-19⅛	8⅝-8⅛	9⅝-9 11/16	5 11/16-2 5/16	5⅛-8⅛	2⅞-2	10 11/16-10 13/16	14½-15	10⅛-11	10⅝-10⅞	2¼-5⅝	11¾-12¼
Six months	11 11/16-11 13/16	8 11/16-2 13/16	8 11/16-10	8 5/16-2 7/16	2 9/16-5 11/16	5-2⅛	11⅛-11¼	14⅝-14⅜	10⅛-11	10⅝-10⅞	8¼-5 9/16	11⅝-12⅛
One year	11½-11⅞	8⅝-2⅝	10⅛-10 7/16	2⅛-2¼	5⅜-5⅛	2 1/16-5 11/16	11⅜-11½	14½-15	10¾-11¼	10⅝-10⅞	2 1/16-5 9/16	11½-12

Asian $ (closing rates in Singapore): Short-term 8⅛-8¼ per cent; seven days 8¼-8½ per cent; one month 8¼-8½ per cent; three months 8½-8⅞ per cent; six months 8¾-8⅞ per cent; one year 9 5/16-9 11/16 per cent. Long-term Eurodollars: two years 10⅝-10⅞ per cent; three years 11-11¼ per cent; four years 11¼-11½ per cent; five years 11⅝-11⅞ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

Late fall

Sterling based prices were mixed in the London International Financial Futures Exchange yesterday. The market reacted favourably to sterling's better performance, but some dealers were a little more cautious, pointing out that sterling was not out of the woods yet and another surge in the dollar or adverse news on oil pressure on sterling.

This view was given added weight as sterling finished close to its worst level of the day. Consequently highs in three-month sterling deposits were established in fairly early trading but sterling's late fall came a little too late to affect this sector. Optimism earlier in the day was based on hopes that a base rase of 12 per cent was sufficient to support sterling and that the next move in rates would be downward. This appeared to be a little premature and was reflected in the March gilt futures price which fell from an opening level of 105-30 to finish at 104-25, down from 104-28.

Euro-dollar prices showed little overall change. Values had been boosted by lower than expected retail sales and a softer Fed funds rate. However the latter opened firmer partly because of bank's make up day while U.S. economic data released yesterday had little effect.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
March	90.92	90.94	90.86	90.94
June	90.28	90.31	90.23	90.32
Sept	89.76	89.79	89.72	89.80
Dec	89.33	89.38	89.33	89.37
March	88.57	—	—	89.01

Estimated volume 3,782 (7,032)
Previous day's open int 12,054 (11,330)

THREE-MONTH STERLING
£250,000 points of 100%

	Close	High	Low	Prev
March†	88.53	88.69	88.51	88.51
June†	88.89	89.05	88.89	88.80
Sept†	88.93	89.05	88.90	88.85
Dec†	88.90	89.06	88.90	88.80
March†	89.87	89.95	89.87	89.80

Estimated volume 1,865 (3,019)
Previous day's open int 5,877 (5,522)
† £500,000 points of 100%

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
March	104-25	105-08	104-23	104-28
June	104-15	104-25	104-15	104-20
Sept	107-28	—	—	107-29
Dec	107-18	—	—	107-19
March	107-06	—	—	107-09

Estimated volume 3,203 (4,304)
Previous day's open int 5,218 (4,899)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract −2 to 6 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.1163	1.1170	1.1130	1.1125
June	1.1103	1.1110	1.1095	1.1060
Sept	1.1083	—	—	1.1025

Estimated volume 46 (2,482)
Previous day's open int 3,763 (3,976)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3147	0.3155	0.3147	0.3145

Estimated volume 18 (14)
Previous day's open int 201 (197)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.3750	—	—	0.3747

Estimated volume nil (nil)
Previous day's open int 113 (113)

JAPANESE YEN
Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.3937	0.3937	0.3933	0.3935

Estimated volume 7 (4)
Previous day's open int 121 (119)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
March	125.60	125.75	124.10	123.75
June	125.90	125.90	124.70	124.00
Sept	126.40	—	—	124.90

Estimated volume 357 (488)
Previous day's open int 924 (1,594)

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	70-29	71-05	70-16	71-08
June	69-31	—	—	70-14

Estimated volume 825 (2,815)
Previous day's open int 1,675 (936)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	70-22	70-27	70-17	70-30
June	69-28	70-00	69-23	70-03
Sept	69-05	69-08	69-01	69-12
Dec	68-16	68-19	68-12	68-24
March	68-00	68-01	67-28	68-06
June	67-12	67-18	67-18	67-23
Sept	—	—	—	67-10
Dec	—	—	—	66-30
March	—	—	—	66-18
June	—	—	—	66-09

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	91.90	91.91	91.86	91.91
June	91.41	91.41	91.36	91.40
Sept	90.92	90.92	90.90	90.93
Dec	90.53	90.53	90.53	90.55
March	90.22	90.22	90.22	90.24
June	89.95	89.97	89.95	89.97
Sept	—	—	—	89.72
Dec	—	—	—	89.49

CERT DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	91.24	91.24	91.20	91.26
June	90.60	90.60	90.58	90.62
Sept	—	—	—	—
Dec	89.65	—	89.65	89.68

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
March	90.88	90.88	90.84	90.88
June	90.24	90.25	90.21	90.24
Sept	89.70	89.70	89.68	89.29
Dec	89.26	89.27	89.25	89.29
March	88.91	88.91	88.91	88.94
June	88.61	—	88.61	88.63
Sept	88.33	—	88.23	88.34

STERLING (IMM) $e per £

	Latest	High	Low	Prev
March	1.1160	1.1175	1.1140	1.1120
June	1.1110	1.1125	1.1085	1.1065
Sept	1.1090	1.1090	1.1060	1.1030
Dec	—	—	—	1.1520

GNMA (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	69-03	69-06	68-31	69-07
June	68-10	68-11	68-08	68-14
Sept	—	—	—	67-28
Dec	67-06	67-06	67-06	67-09
March	—	—	—	—
June	—	—	—	66-12
Sept	—	—	—	66-00

MONEY MARKETS

UK rates ease in calmer trading

Interest rates were a little easier in London yesterday as the market took heart from sterling's more stable performance. With traders now adjusted to 12 per cent base rates, yields took on a more optimistic reverse curve out to one year. Three-month interbank money was quoted at 11⅞-12⅛ per cent down from 12⅛-12⅜ per cent on Tuesday and three-month eligible bank bills were bid at 11 9/16 per cent compared with 11¾-11 13/16 per cent.

Overnight interbank money opened at 10¾-11 per cent but rose to a peak of 15 per cent after the Bank's late assistance as late balances were difficult to find.

> UK clearing banks' base lending rate 12 per cent since January 14

Rates eventually came away to a low of 8 per cent with late transactions commanding up to 10 per cent.

The Bank of England forecast a shortage of around £300m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £219m and Exchequer transactions a further £70m. There was also a rise in the note circulation of £30m and banks brought forward balances £5m below target. The forecast was revised to a shortage of around £450m and the Bank gave assistance of £149m, comprising purchases of £3m of eligible bank bills in band 2 (15-33 days) at 11¾ per cent and £12m on band 3 (34-63 days) at 11⅝ per cent. In band 4 (64-91 days) it bought £134m of eligible bank bills at 11½ per cent.

In the afternoon the Bank bought £206m of bills, £3m of local authority bills and £22m of eligible bank bills in band 1 (up to 14 days) at 11⅞ per cent and in band 2 £5m of local authority bills and £63m of eligible bank bills at 11¾ per cent. In band 3 it bought £21m of eligible bank bills at 11⅝ per cent and in band 4 £15m of Treasury bills and £77m of eligible bank bills all at 11½ per cent. It also provided late assistance of £135m, making a total of £490m.

MONEY RATES

Jan. 16	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.80-2.65	10¼	5⅛-3⅜	5 9/16-2	2.1875	15⅝-12	11.50	14⅝-14⅝
One month	5.85-2.00	10 7/16-10 9/16	5 7/16-5 9/16	5 9/16-2	6.21875	16⅛-12⅞	10⅝-10⅞	14¼-14⅝
Two months	5.75-5.90	10 7/16-10 9/16	—	—	—	—	—	14⅛-14⅝
Three months	5.85-6.00	10⅜-10½	5⅜-5⅝	5 9/16-5 11/16	6.28125	15⅝-16	10⅝-10⅞	14⅛-14⅛
Six months	5.90-2.05	10 7/16-10 9/16	—	6-6⅛	—	—	10⅝-10⅞	14¼-14⅝
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	10½	—	5¾	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Jan. 16 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8-15	11¾	9½-12	9-12	—	—	—	—	—
2 days notice	—	—	11½-11⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	11⅝-12	11⅝-11¾	12-12¼	11½-11¾	—	—	—	—	—
One month	12 1/16-12 1/16	12⅛-12¼	12⅛	12⅝	11¾	11 13/16	11¾	11 13/16	11 13/16	12 5/16
Two months	12 1/16-11 15/16	12-12 3/16	12 1/16	12¼	11¼-11⅝	11 11/16	11⅝	11 11/16	11 11/16	12 3/16
Three months	11 13/16-11 11/16	11⅞-12⅛	12	12⅛	10¾-11½	11⅝	11½	11 9/16	11 9/16-11½	12 1/16
Six months	11⅝-11⅝	11⅝-11⅞	11⅝	—	—	—	—	11-11⅛	10⅞-11	11⅝
Nine months	11⅝-11⅝	11 9/16-11¾	—	—	—	—	—	—	—	—
One year	11½-11⅝	11 11/16-11¾	11½	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	12½-12⅛	—	12⅛	8.0-8.1	7 13/16-8 1/16	9 9/16-9¾
Two months	12½-12⅛	—	12⅛	8.1-8.2	8-8¼	9 7/16-9¾
Three months	12½-12⅛	—	12	8.2-8.3	8½-8⅝	9 7/16-9¾
Six months	12⅛-11¾	—	11 13/16	8.55-8.65	8 9/16-8 11/16	9 5/16-9⅝
Nine months	11⅞-11⅝	—	11⅝	8.2-9.1	—	—
One year	11⅞-11½	—	11⅝	9.3-8.5	8 13/16-9⅛	9 5/16-9⅝
Two years	—	11⅝	—	—	—	—
Three years	—	11⅝	—	—	—	—
Four years	—	11⅝	—	—	—	—
Five years	—	11¾	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period December 5 1984 to January 1 1985 (inclusive): 9.913 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 10 per cent from January 1 1985. London and Scottish Clearing Bank Rates for lending 12 per cent. London Deposit Rates for sums at seven days' notice 8 per cent. Treasury Bills: Average tender rates of discount 10.1017 per cent. Certificates of Tax Deposit (Series 8): Deposit £100,000 and over held under one month 11¾ per cent; one-three months 12 per cent; three-six months 11¾ per cent; six-nine months 11¾ per cent; nine-12 months 11¾ per cent. Under £100,000 11 per cent from January 15. Deposits held under Series 0 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. January 16)
3 months U.S. dollars

bid 8 5/16	offer 8 7/16

6 months U.S. dollars

bid 8 3/4	offer 8 7/8

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10½
Broker loan rate	9-10¼
Fed funds	8 7/16
Fed funds at intervention	8 7/16

Treasury Bills

One-month	7.45
Two-month	7.60
Three-month	7.75
Six-month	7.94
One-year	8.55

Treasury Bonds

Two-year	99⅞
Three-year	101 13/32
Four-year	99½
Five-year	99 15/32
Seven-year	101⅞
10-year	100 23/32
30-year	101 7/32

Company Notices

GOLD FIELDS OF SOUTH AFRICA LIMITED
(Incorporated in the Republic of South Africa)
DECLARATION OF DIVIDEND
UNITED KINGDOM CURRENCY EQUIVALENT

In accordance with the standard conditions relating to the payment of dividends declared by Gold Fields of South Africa Limited on 13 December 1984, in respect of the 5% Convertible Redeemable Cumulative Preference Shares, payment from the office of the United Kingdom Registrar will be made in United Kingdom currency at the rate of R2.375129 South African currency to £1 United Kingdom currency, this being the first available rate of exchange for a remittance between the Republic of South Africa and the United Kingdom on 2 January 1985 as advised by the company's South African bankers.

The United Kingdom currency equivalent of Dividend No. 1 of the Preference Shares is therefore 81.049312p.

By order of the Board
per pro CONSOLIDATED GOLD FIELDS PLC
London Secretaries
P. F. G. Ree, Secretary

London Office:
49 Moorgate
London EC2R 6BQ

United Kingdom Registrar:
Hill Samuel Registrars Limited
6 Greencoat Place
London SW1P 1PL

15 January 1985

SOCIETE GENERALE
DOLL US 125.000.000.-
FLOATING RATE NOTES DUE JANUARY 1991

For six months, January 14, 1985 to July 14, 1985 the notes will carry an interest rate of 9 1/16 % per annum. The interest due on July 15, 1985 against coupon number 5 will be $ US 45,82 and has been computed on the actual number of days elapsed (182) divided by 360.

THE PRINCIPAL PAYING AGENT
SOCIETE GENERALE ALSACIENNE DE BANQUE
LUXEMBOURG BRANCH

ALCAN AUSTRALIA LIMITED
U.S.$75,000,000
FLOATING RATES NOTES
DUE 1989

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period 16th January 1985 to 16th July 1985 has been fixed at 9 1/16 per cent per annum, including a margin of 0.25 per cent per annum.

On 16th July 1985 interest of U.S.$468.21 per U.S.$10,000 nominal amount of the Notes, will be due against Interest Coupon No. 7.

SWISS BANK CORPORATION INTERNATIONAL LIMITED
Reference Agent

THE COMPANIES ACTS 1948 TO 1976
ANLON FOODS LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at 1 Wardrobe Place, Carter Lane, London EC4V 5AJ, on Tuesday, the 29th day of January 1985, at 12 o'clock noon, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 10th day of January 1985.
By Order of the Board,
D. SCOTT,
Secretary.

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for January 16.

U.S. DOLLAR STRAIGHTS

DEUTSCHE MARK STRAIGHTS

SWISS FRANC STRAIGHTS

YEN STRAIGHTS

OTHER STRAIGHTS

FLOATING RATE NOTES

CONVERTIBLE BONDS

* No information available—previous day's price.
† Only one market maker supplied a price.

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OVER-THE-COUNTER

Continued from Page 38

Indices

NEW YORK

STANDARD AND POORS

N.Y.S.E. ALL COMMON

RISES AND FALLS

New York Active Stocks

TORONTO

MONTREAL Portfolio

* Indicates pre-close figure

** Saturday January 12: Japan Nikkei-Dow (c). TSE (c).

Revival of Euroyen activity threatens to cause indigestion

BY MAGGIE URRY IN LONDON

NEW ISSUE activity picked up again in the Eurobond market yesterday – too much so in the Euroyen market, some syndicate managers say.

Yamaichi International launched two Euroyen issues which, coming on top of Tuesday's aggressively priced deal for McDonald's, might cause some indigestion in the market. The first issue, for Eurofima, the European railway rolling stock group, also raised the question of commission structures again. Total fees were set at 1¼ per cent, not the 1⅞ per cent considered "right" for seven-year issues by other syndicate managers.

Eurofima's issue totalled Y10bn and has a 6¾ per cent coupon, compared with McDonald's 6½ per cent for the same maturity. The lead manager was quoting the bonds well inside the total fees.

Yamaichi's second issue was Avon, the cosmetics company, calling for Y26bn. That has a near seven-year life and a higher coupon again at 6¾ per cent. Fees were the normal 1⅞ per cent. The issue, priced at par, came too late to trade actively.

In the Eurodollar sector, bank floating-rate notes were back in favour, with both First Chicago and Wells Fargo launching issues. The FRN market has been strong recently as short-term interest rates have fallen.

First Chicago's deal, lead managed by Salomon Brothers, was increased from $150m to $200m. That has a 12-year life without any put options for investors. The borrower can call the issue after four years.

The interest rate will be ⅛ per cent above the London interbank offered rate (Libor) for three-month Eurodollar deposits, regarded in the market as a generous yield. Front-end fees totalled 60 basis points. Even after the increase, the issue traded within the 30-basis-point selling concession.

Wells Fargo's floater also has a 12-year life and, like First Chicago's, is subordinated debt. Morgan Stanley set the interest rate at ⅛ per cent over three-month Libor, with total commissions of 45 basis points. The bonds traded around 99.65, a discount comfortably inside the total fees.

Morgan Guaranty used the structure adopted by Rockefeller and Bear Stearns last year for a surety-backed bond issue from Thyssen-Bornemisza, the privately owned industrial multinational. The $50m, five-year issue is effectively guaranteed by Aetna Casualty, the big U.S. group.

The coupon was set at 10⅞ per cent and issue price at par. The issue traded at a discount of around 1⅝ per cent, compared to the 1⅞ per cent fees.

Late in the day Bankers Trust launched a $75m fixed-rate issue for Postipankki, the state-owned Finnish bank. That has a five-year life and 11⅛ per cent coupon with a par issue price. Total fees are 1⅞ per cent, at which level the bonds were bid.

Two Japanese issues with equity warrants were priced. Yamaichi International set the coupon for Tokyu Corporation's $40m deal at 8¼ per cent and the exercise price for the warrants at Y326, compared with the stock market price of Y320. Daiwa Europe's issue for Yamato Kogyo has an 6⅛ per cent coupon and Y619 exercise price. The shares had closed at Y610.

Eurodollar bonds gained around ¼ point in morning trading, and held on to that gain despite a weak opening by the New York bond market. The overhang of paper is slowly being cleared.

In the D-Mark bond market, the scheduled DM 100m issue for Gencor, the South African mining finance group, was lauched by Dresdner Bank. The coupon was set at 8 per cent for the six-year life, and the issue price is 99¾. The borrower is not well known in the Eurobond market, and the issue was trading around the 1⅝ per cent selling concession.

Trading picked up a little in the D-Mark secondary market yesterday as hopes were raised that the Bundesbank would not increase interest rates today. Prices were unchanged to ⅛ point higher.

The Swiss franc foreign bond market was alive with new issues yesterday. UBS announced a SwFr 300m private placement for the World Bank, which has a six-year life and 5½ per cent coupon with a 99¾ issue price.

A public issue to raise between SwFr 30m and SwFr 60m was launched by Banque Gutzwiller Kurz Bungener, for National Patent Development Corporation of New York. The issue will have a 10-year maturity and the indicated yield is 6 per cent. It will be convertible into equity at a premium of around 15 per cent.

UBS is also arranging a SwFr 50m private placement for Nakayama Steel Works, which comes with equity warrants. The bonds are expected to yield 3⅝ per cent and have a five-year life.

SBC is placing privately a SwFr 100m issue for the South African Department of Posts and Telecommunications. Terms were fixed at a 6⅞ per cent coupon and par issue price with a six-year life.

A SwFr 10m private placement for Nakanishi Metal Works is being organised by Banca Del Gottardo, and Wirtschafts- und Privatbank is raising the same amount for Arakawa Chemical through a private placement.

The strength of the Tokyo stock market has allowed Credit Suisse to cut the coupons on the two-tranche convertible issue for Sharp. The SwFr 150m, eight-year public issue was given a 1⅞ per cent coupon, the lowest ever for such an issue. The coupon on the SwFr 200m five-year private placement was set at 1¾ per cent.

UBS could also cut the coupon on its SwFr 150m private placement for Mitsubishi Rayon, another convertible, from 2 per cent to 1¾ per cent.

Swiss franc bond prices fell by around ¼ point in low turnover yesterday. The strength of the dollar and fears of interest rate rises upset traders.

SNF Bank bond average

Jan 16		Previous
102.398		102.336
High	1985	Low
103.042		98.088

U.S. Treasury to issue zero coupons

BY STEWART FLEMING IN WASHINGTON

THE U.S. Treasury will formally launch next month a mechanism for the issue of zero coupon long-term Treasury bonds. The programme, to be called "strips," will provide for the separate ownership and trading of the interest and principal amount of certain Treasury issues.

The first securities to be issued with this mechanism will be the 10-year note and the 30-year bond to be issued as part of the Treasury's regular quarterly refunding on February 15.

Private securities dealers have been stripping Treasury securities of their interest coupons and marketing securities backed by the interest and principal components of the issues.

The Treasury's decision to provide a mechanism for stripping its own securities is part of a policy aimed at making Treasury securities more attractive to a wider range of investors. The Treasury believes this should help to lower its borrowing costs.

Last year the Treasury backed congressional steps which eliminated the U.S. withholding tax on securities issued to foreign investors. Subsequently, it launched a special category of Treasury issues targeted at foreign investors. The stripping mechanism it is now establishing is expected to lead to a broader range of securities based on zero coupon or non-interest-paying Treasury bonds.